



Daily Report

China

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18 October 1994

NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English. An * indicates material not disseminated in electronic form.

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General

UN Envoy Calls For 'Nuclear-Weapon-Free World'

*OW1810001094 Beijing XINHUA in English 2316
GMT 17 Oct 94*

[FBIS Transcribed Text] United Nations, October 17 (XINHUA)—China today called for an early realization of a nuclear-weapon-free world.

Speaking at the UN General Assembly, Hou Zhitong, representative of China's delegation to the current UN session, said that China had all along stood for the complete prohibition and thorough destruction of nuclear weapons and an early realization of a nuclear-weapon-free world.

China is a contracting party of the treaty on the non-proliferation of nuclear weapons (NPT) and a member state of the International Atomic Energy Agency (IAEA).

China maintains that all nuclear-weapon states unconditionally declare not to be the first to use nuclear weapons and immediately negotiate and conclude a treaty to the following effect: That all nuclear-weapon states undertake not to use or threaten to use nuclear weapons against non-nuclear-weapons states and nuclear-weapon-free zones and they conclude a convention on the complete prohibition of nuclear weapons under which all nuclear-weapon states commit themselves to the complete destruction of their nuclear weapons.

He noted that China is in favor of improving the safeguards system. But the related measures should be "fair, objective, reasonable, transparent, practical and in strict observance of the IAEA statute and relevant international legal instruments so as to ensure that the sovereignty of states are respected and their rights and obligations are balanced."

He told the meeting that China also stands for the peaceful use of nuclear energy and by the year 2000, China's combined nuclear power station generating capacity is estimated to be in the order of 8,000 to 10,000 megawatt.

UN Commissioner-General Ends Visit to Beijing

*OW1810085094 Beijing XINHUA in English 0843
GMT 18 Oct 94*

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—After Turkmen, commissioner-general of the United Nations Relief and Works Agency for Palestine Refugees in the Far East (UNRWA), left here today after his three-day visit to China.

Chinese Vice-Premier and Foreign Minister Qian Qichen and Vice-Chairman of the Foreign Affairs Committee of the Chinese National People's Congress Zhou Jue met respectively with the UN official and his party during his stay in Beijing.

Assistant Foreign Minister Qin Huasun held a talk with Turkmen on the current situation in the Middle East and the agency's work.

Turkmen came to visit China at the invitation of the Chinese Foreign Ministry.

U.S.-DPRK Talks Reportedly Deadlocked

*OW1710154894 Beijing XINHUA in English 1513
GMT 17 Oct 94*

[FBIS Transcribed Text] Geneva, October 15 (XINHUA)—The nuclear talks between the United States and the Democratic People's Republic of Korea (DPRK) became deadlocked today after earlier signs indicated that the talks were entering into the final stage.

After Robert Gallucci, the chief U.S. negotiator and Kang Sok-chu, head of delegation of the DPRK, ended their two-hour talks this evening, Ho Chong, the spokesman for the DPRK delegation said that the talks today "face a very difficult situation because of the unacceptable and abnormal position of the United States."

Therefore, he said, the discussions became "very serious and divisive", and no progress has been made.

Thomas Hubbard, deputy assistant secretary of the United States, also told reporters after the talks that the two sides had not made any progress beyond what had been achieved in the talks earlier this week.

He also said so far the two sides had no plan for meeting tomorrow.

Neither of them disclosed any details as to what is blocking the progress of the talks.

The latest outcome of the talks runs counter to earlier optimism of both sides that a satisfactory agreement could be expected by the end of this week.

Just moments before the heads-of-delegation talks today, officials of the U.S. delegation indicated that there might be an "important announcement" this evening.

An outline agreement between the two sides was reached in August after the DPRK agreed to freeze its graphite-moderated reactor program and switch to light-water reactors, with international assistance coordinated by the United States.

The ongoing session of the talks have to resolve such fundamental differences as the disposal of a 5-megawatt research nuclear reactor of the DPRK, and if and when International Atomic Energy Agency (IAEA) inspectors would be allowed to inspect two military sites of the DPRK.

U.S., DPRK Reach Accord

*OW1810004394 Beijing XINHUA in English 2356
GMT 17 Oct 94*

[FBIS Transcribed Text] Geneva, October 17 (XINHUA)—U.S. chief negotiator announced at midnight

today that the United States and the Democratic People's Republic of Korea (DPRK) have reached an agreement on nuclear issues.

Speaking at an unscheduled news conference at midnight today, U.S. chief negotiator Robert Gallucci said both sides will consult their governments on the agreement in the coming few days. And he himself will return to Washington tomorrow morning for this purpose and will come back to Geneva on Friday to sign the agreement.

He said, "It is a broad, acceptable and very positive document that serves the interests of the United States and the DPRK."

So far no comment is available from the DPRK side.

Further on Accord

*OW1810022694 Beijing XINHUA in English 0154
GMT 18 Oct 94*

[FBIS Transcribed Text] Geneva, October 17 (XINHUA)—U.S. chief negotiator Robert Gallucci announced today that the United States and the Democratic People's Republic of Korea (DPRK) have just reached an agreement on nuclear issues in Geneva.

Speaking at an unscheduled news conference at midnight, Gallucci said he and DPRK's chief negotiator Kang Sok-chu agreed today upon a framework document on the DPRK's nuclear issues by telephone this evening in which both sides will refer back to their governments for further consultations and decisions.

The U.S. official said he will go to Washington Tuesday for this purpose and return to Geneva on Friday to sign the agreement.

But he declined to disclose any details about the agreement, only saying: "It is a broadly acceptable and very positive document" which addresses the past, current and future aspects of DPRK's nuclear issues and will serve the interests of both the United States and the DPRK.

Asked about the issue of the special inspections on DPRK's two military sites, which was demanded by the International Atomic Energy Agency (IAEA) and had been rejected by the DPRK, Gallucci said the concern of DPRK's nuclear activities in the past is indeed addressed in the agreement.

"The agreement does speak to the IAEA's ability to conduct whatever measures it deems necessary to resolve the issue," he said. But he did not mention when and how the inspections will be conducted.

He said there are provisions in the agreement concerning establishing diplomatic representations in each other's capital by the United States and DPRK.

Steps will be taken to implement the agreement upon signature, Gallucci said, adding that the two sides will continue their contact to address problems emerging from the implementation.

So far no comment is available from the DPRK side.

ROK Comments on Accord

*OW1810092794 Beijing XINHUA in English 0900
GMT 18 Oct 94*

[FBIS Transcribed Text] Seoul, October 18 (XINHUA)—South Korean President Kim Yong-sam said here Tuesday [18 October] that the agreement reached between the United States and the Democratic People's Republic of Korea (DPRK) on Pyongyang's nuclear issue provides an important basis for peace and stability on the Korean peninsula.

The DPRK's past, present and future nuclear transparency will be guaranteed if it freezes its nuclear activities and submits to inspections by the International Atomic Energy Agency (IAEA), Kim said in a written speech read by Prime Minister Yi Yong-tok.

The agreement, hammered out at high-level talks between the U.S. and the DPRK in Geneva on Monday night, will be signed on October 21.

Details of the accord have yet to be made public, but informed diplomatic sources said that the highlight is the DPRK's full implementation of its nuclear safeguards obligations.

The DPRK and the U.S. also agreed on resuming inter-Korean dialogue and implementing the joint declaration on denuclearization of the Korean peninsula to ultimately resolve the nuclear issue.

President Kim said that the agreement will also provide momentum in bettering inter-Korean relations as Pyongyang agrees to implement the joint declaration on denuclearization of the Korean peninsula and to resume inter-Korean dialogue.

Meanwhile, South Korean Foreign Minister Han Sung-chu said at a press conference here Tuesday that inter-Korean dialogue will soon resume, possibly sometime this year.

Progress in Pyongyang-Washington relations will "have been made in harmony with advancement of inter-Korean dialogue," Han said.

XINHUA Reportage on Developments in Haiti

Aristide Returns to Haiti

*OW1710155094 Beijing XINHUA in English 1533
GMT 17 Oct 94*

[FBIS Transcribed Text] Port-au-Prince, October 15 (XINHUA)—Haitian President Jean-Bertrand Aristide returned to his country today [15 October] after three years in exile and immediately called for reconciliation and justice.

Aristide arrived at 12:30 p.m. local time (17:30 GMT) aboard a United States Boeing 707, accompanied by an official delegation including U.S. Secretary of State Warren Christopher.

Crowds concentrated in front of the airport and around the National Palace, the centers of Aristide's activity today, but were kept back by U.S. armored vehicles and barbed wire barriers.

At the airport, the president shook hands with his cabinet members led by Prime Minister Robert Malval, who resumed his post after the resignation of the de facto regime created by a military coup on September 30, 1991.

The diplomatic corps was also at the airport to welcome Aristide.

The subdued tone of the official ceremony was in contrast with the noisy demonstrations outside the air terminal, where in spite of security measures the crowd exploded in jubilation as the plane was spotted on the runway.

There were no speeches at the airport.

The road from the airport to the city and the national palace turned into a triumphal avenue for Aristide. At the entrance of Cite Soleil, the poorest section of the capital and an important political base for Aristide, the crowds were joyous.

By the side of the roads, people brought furniture, tablecloths, radios, and icons out of their houses as a form of homage to their president.

Aristide missed all of this, however, as stringent security measures dictated that he fly by helicopter directly to the National Palace.

Standing on the palace stairs, the president spoke behind bulletproof glass which protected him from attempts on his life, but separated him from the people.

Outside, behind the iron-bar fence surrounding the palace, the celebration continued. A large military presence guaranteed the security of the ceremony as all buildings around the presidential palace were occupied by U.S. troops.

No incidents were reported. Aristide spoke for 40 minutes, calling for reconciliation.

But the most difficult task comes now.

The president must revitalize the country's economy and answer expectations of the impoverished Haitian population, which hopes for a rapid economic recovery now that sanctions have been lifted.

Clinton, Menem Thank Panama

OW1810020494 Beijing XINHUA in English 0120
GMT 18 Oct 94

[FBIS Transcribed Text] Panama City, October 17 (XINHUA)—U.S. President Bill Clinton and Argentina's President Carlos Menem sent letters separately to

their Panamanian counterpart Ernesto Perez Balladares today, thanking him for his decision to accept Haitian coup leaders Raoul Cedras and Phillippe Biamby.

Clinton said in an official document that Panama's decision contributed much to the restoration of democracy in Haiti, because the exit of Generals Cedras and Biamby created the climate Haiti needed for the people to cure its wounds and look to the future.

Clinton's letter to Perez Balladares said Panama supported the Haitian people for a long time by offering refugees safe haven, and for its willingness to participate in the multinational force.

Menem expressed in his letter appreciation of Perez Balladares' decision to grant asylum to the two Haitian generals, saying this was "a tangible support for restoration of democracy in Haiti and a concrete manifestation of solidarity with the Haitian people."

The asylum granted by Panama to Cedras was welcomed by the international community. Organization of the American States General Secretary Cesar Gaviria and United Nations General Secretary Butrus Butrus-Ghali also congratulated Perez Balladares for his decision.

Former Haitian strongman Cedras, his collaborator Biamby and their relatives arrived in Panama City on October 13 as political refugees, paving the way for the return of Haitian President Jean-Bertrand Aristide who went into exile in the United States when Cedras staged a coup in 1991.

U.S. Withdraws Warships

OW1810011594 Beijing XINHUA in English 2146
GMT 17 Oct 94

[FBIS Transcribed Text] Washington, October 17 (XINHUA)—The United States has begun withdrawing its Navy and Marine ships from Haiti, the Defense Department said here today.

The amphibious assault ships USS Wasp and USS Nashville, with 1,800 marines on board, are headed to Morehead City, North Carolina, to unload the Marines before returning to Norfolk, Virginia, the Pentagon said in a statement.

And ship USS Ashland is expected to get under way for the Norfolk area by Tuesday [18 October], it said.

Now there are about 17,500 U.S. troops deployed in Haiti, Deputy Defense Secretary John Deutch said Sunday.

"Two or three months from now we could be as low as 6,000 or 7,000," Deutch said, "By the beginning of next year we would hope to have the United Nations take a much larger role in its mission to Haiti."

He predicted that the U.S. Military Forces there would be down to 3,000 troops at most by February or March.

World Auto Engineering Meeting Held in Beijing

OW1810065294 Beijing XINHUA in English 0637
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—The 25th International Annual Conference on Motor Engineering is now being held in Beijing.

Chinese Vice-Premier Li Lanqing sent a greeting message to the meeting, and He Guangyuan, minister of machine-building industry attended the opening ceremony of the meeting.

More than 700 entrepreneurs and scholars from well-known auto producers throughout the world took part in the meeting, which was sponsored by the Chinese Society of Motor Engineering.

The conference, the biggest and most authoritative of the sort in the country, received a total 297 reports and research papers presented by the world auto giants from 26 countries, covering auto structure and parts, auto dynamics, auto and environment, safety, integration of design and production, and services.

The International Federation of Automobile Engineering, set up in 1948, has 27 members from 26 countries around the world. The Chinese Society of Motor Engineering became a member of the federation in 1984.

The conference was accompanied by an international auto fair held in the China International Trade Center.

United States & Canada**Liu Huaqing, Perry Hold 'Friendly' Talks**

OW1710144594 Beijing XINHUA Domestic Service in Chinese 1229 GMT 17 Oct 94

[FBIS Translated Text] Beijing, October 17 (XINHUA)—General Liu Huaqing, vice-chairman of China's Central Military Commission, met and had a friendly talk with U.S. Secretary of Defense William Perry at the Diaoyutai State Guesthouse today.

Liu extended a warm welcome to Perry. He also reviewed his friendly contacts with Perry since he had made the latter's acquaintance 14 years ago.

Liu called Perry "an old friend of the Chinese people" who has made important contributions to the development of relations between China and the United States and between the two countries' armed forces.

Perry said he was very happy to meet Liu again.

Liu said the current visit of Perry is "an important trip" which will further promote the development of state-to-state and military-to-military relations between the two countries.

Particularly, Liu said, the visit will make the relations between the two militaries "enter a new stage."

He pointed out that the development of relations between the two militaries will benefit both sides.

Perry said he was here to rebuild the normal relations between the two militaries.

He said the development of military-to-military relations is not only extremely important [fēi chang zhòng yào 7236 1603 6850 6008] for the two armed forces, but is also of great significance [jū yóu zhòng yào yí yí 0367 2589 6850 6008 1942 5030] for promoting state-to-state relations as well as safeguarding peace and security in the (Asia Pacific) region.

The defense secretary said he would continue to make his own effort to promote the relations between the two militaries.

After the meeting, Liu hosted a dinner in honor of Perry and his party.

Perry Views Positive Ties

OW1810075194 Beijing XINHUA in English 0740
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—Visiting U.S. Defense Secretary William Perry said here today it could benefit the whole Asia Pacific region that the United States and China enjoy positive and stable relations.

Perry made the remarks when he delivered a speech on U.S.-China relations and its impact on world peace at the National Defense University of the Chinese People's Liberation Army (PLA) here this morning.

Perry said that the Asia Pacific region today is now more peaceful and stable than any time in history and countries in this region are striving for a more prosperous and secure future.

He said that the enormous growth of Asia Pacific economy, as well as the prosperity in this region, is essential to the development of world economy and a challenge that countries in this region is facing is to ensure the stability and prosperity.

In this aspect, he said, the United States and China "share special responsibility."

"That is why I am here," he added.

As members of the Asia Pacific region, Perry said, the United States and China should play positive roles in maintaining security and promoting economic growth of the region.

Both countries regard economic development as a priority and the two economies complement each other, and also, the forces supporting U.S.-China cooperation are "growing stronger all the time," he said, adding that these constitute the basis for bilateral cooperation.

The secretary also noted that the military-to-military relationship between the two countries is an important part of bilateral political ties.

To deepen mutual understanding and trust and advance both state-to-state and military-to-military relations will help better solve issues in this region.

General Zhu Dunfa, president of the National Defense University, presided over the presentation. General Li Jing, deputy chief of the General Staff of the PLA, was present.

After delivering the speech, Perry answered questions concerning U.S. defense policy raised by faculties and students present on the occasion.

'Special Article' Views Perry's Visit

*HK1810095294 Hong Kong WEN WEI PO in Chinese
16 Oct 94 p A2*

[“Special article” by Washington-based staff reporter Chu Hsing-fu (2612 1630 4395) on 15 October: “U.S. Defense Secretary’s Visit to China”]

[FBIS Translated Text] At the invitation of the Chinese military, U.S. Secretary of Defense William Perry will arrive in Beijing on Sunday morning for a three-day official visit to China. People here believe that this is a high-profile visit which is attracting people’s attention. The current visit will have a positive impact on the development of military relations between the United States and China.

Part of the Strategy of Overall Contact

In the mid-1970’s, Perry, now aged 66, assumed the post of deputy secretary of defense in the Carter administration. In those years, relations between China and the United States were at a stage of intimacy and military ties between the two countries were in a honeymoon stage. However, beginning in 1989, political and military relations between the two countries have been at a low ebb. Since Perry assumed office as defense secretary at the beginning of this year, he has actively advocated strengthening U.S. military contacts and exchanges with China. The Department of Defense was one government department which favored the unconditional extension of most-favored-nation treatment to China. This being the case, Perry is respected in China and his great name is not strange at all to the Chinese military, and to ordinary people as well.

According to a Pentagon official, Perry’s current visit to China is part and parcel of the strategy of overall contact which the United States began to pursue in Fall of last year. During his visit to China, Perry will meet senior Chinese military and government officials, including Jiang Zemin, state president and concurrently chairman of the Central Military Commission and Minister of

Defense Chi Haotian. In the meantime, Perry will probably meet Li Peng, premier of the Chinese State Council, and Qian Qichen, vice premier and concurrently minister of foreign affairs.

On the part of the United States, the main goals of Defense Secretary Perry’s current visit to China are to enhance mutual understanding and establish relations of mutual trust; solve through discussions some security issues existing in bilateral relations and regional security issues; discuss the human rights issue; meet Chinese acquaintances; preside over the first meeting of the U.S.-Chinese Joint Defense Conversion Commission with Ding Henggao, minister of the Commission for Science, Technology, and Industry for National Defense; and deliver a lecture to teachers and students at the National Defense University.

DPRK Issue Will be Topic of Discussion

When it comes to regional security, the DPRK nuclear issue may be a subject which the United States hopes to discuss with the Chinese military. The United States maintains that China has close relations with the DPRK and the Chinese People’s Liberation Army is the only foreign army which maintains frequent contacts and dialogue with the DPRK People’s Army. Therefore, the United States hopes that China will use its special relations and capacity to apply a positive influence on the DPRK military, promote a peaceful settlement of the DPRK nuclear issue, and further ease the tense situation on the Korean peninsula. If the nuclear talks between the United States and the DPRK in Geneva make progress, the former’s effort to help the latter obtain light-water reactors in the days to come cannot be accomplished in one move. Therefore, the United States hopes China will continue to lend it a hand on this issue.

Nuclear testing is also a topic which the United States wants to discuss with the Chinese military. Up to this day, the United States has conducted more than 1,000 nuclear tests, Russia has conducted more than 700, and China has conducted just 40. After “eating and drinking its fill,” the United States decided to discontinue nuclear testing beginning the year before last and demanded other countries follow suit. China’s stand on the nuclear issue has been very clear. China undertakes not to be the first to use nuclear weapons, not to use or threaten to use nuclear weapons against nonnuclear countries, and favors the conclusion of a complete nuclear test ban treaty before 1996 through negotiations, and it also favors the ultimate, complete, and thorough destruction of nuclear weapons.

U.S. national defense spending and its national defense strategy are transparent. It hopes China will increase transparency in its strategic intentions and national defense spending. This is also one goal of Perry’s current visit to China. If China does not increase its military transparency, there will be rumors and slanders about the China “threat theory” abroad. The United States

maintains that the best way for China to dispel misunderstanding and rumors is to increase its military transparency and issue a white paper on national defense. In fact, China does not have anything deceitful to hide. China is gradually moving toward this direction at present. However, it will probably take some more time to accomplish the job.

Enhancing Mutual Trust in Course of Dialogue

The human rights issue should be completely irrelevant to security issues, but this time Perry will also lightly touch on the issue in China. The United States contends that human rights constitute an important part of its foreign policy. If human rights conditions are not improved, it will be impossible for political relations between the United States and China to improve to a certain extent. If political relations do not progress, there will be no way the military relations of the two countries can go any further after they have developed to a certain extent. Moreover, if U.S. officials visit China without discussing the human rights issue, the U.S. Congress and media, which are prejudiced against China, will probably not let them off easily. Therefore, the U.S. defense secretary hopes that Chinese military leaders will exert a positive influence on the improvement of human rights in China.

In restoring and developing military relations between the United States and China, what the United States stresses currently is mainly that senior officials will hold contacts and dialogue, enhance mutual understanding, establish mutual trust in the course of contact and dialogue, gradually solve some security problems between the two countries, and strengthen their cooperation on regional security issues. However, an official from the Department of Defense pointed out that it is impossible for military relations between the United States and China to recover to the mid-1980's level in the short term, and, at present, the United States will not resume arms exports to China. China will not take the initiative in asking the United States to resume arms sales to China, because China has its own channels for arms purchases. If arms cannot be purchased in one place, they can be purchased in others.

U.S. Adhesive Company To Build Production Base

OW1810012794 Beijing XINHUA in English 0103
GMT 18 Oct 94

[FBIS Transcribed Text] Shanghai, October 18 (XINHUA)—Avery Dennison, a U.S. adhesives producer, is building its production base in China.

Located in Kunshan, a region near Shanghai in east China, the base involves 30 million U.S. dollars. It will go into operation next year, according to Chen Tianzong, president of the company's China branch.

Avery Dennison has set up a representative office in Guangzhou, in south China's Guangdong Province, and

is preparing another office in Beijing, which is expected to be operational at the beginning of next year.

It mainly produces adhesives and relevant materials, office products, product identification devices and special chemicals.

The company has an annual sales volume of 2.6 billion U.S. dollars and is ranked among the top 500 companies by the "FORTUNE" magazine.

U.S. Firm To Expand Business in Tianjin

OW1410154494 Beijing XINHUA in English 1513
GMT 14 Oct 94

[FBIS Transcribed Text] Tianjin, October 14 (XINHUA)—Otis Elevator of the United States is ready to further expand business in China, following a decision made earlier this year to add 12.3 million U.S. dollars of investment in a joint venture in this northern port city.

Interviewed by the Chinese press today, a vice president of the joint venture from the U.S. side said the sales volume of the company is expected to hit 1.9 billion yuan this year with the production of 3,900 elevators.

The Sino-U.S. joint venture, which supplies 25 percent of the total elevators in the Chinese market, is trying to boost the production to 10,000 by the year 2000, he said.

The vice president expressed optimism over the market potentials in China, saying that market supply began to outweigh demand in the 1980's in the West, but the Pacific region is developing rapidly with China taking the lead, presenting good opportunities for foreign investors.

The U.S. partner holds 51 percent of the joint venture's total shares, which is one of the 500 largest enterprises in China.

Northeast Asia

CPC International Liaison Officials Depart for Japan

OW1810043294 Beijing XINHUA in English 0313
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—Li Shuzheng, head of the International Liaison Department of the Central Committee of the Communist Party of China (CPC), and her party left here this morning on a visit to Japan at the invitation of the Japanese Social Democratic Party.

During her seven-day stay in Japan, Li is expected to exchange views with the Japanese Social Democratic Party on relations between the two parties and the two countries as well as other issues of common concern.

Li and her party will also contact other major political parties in Japan, including the Liberal Democratic Party, so as to consolidate and further strengthen CPC's

friendly relations with them and to promote the healthy development of the relations between the two countries.

NPC Vice-Chairwoman Chen Muhua Meets Japanese Guests

*OW1810093494 Beijing XINHUA in English 0910
GMT 18 Oct 94*

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—Chen Muhua, vice-chairwoman of China's National People's Congress (NPC) Standing Committee and president of Green China Fund, met here today with Josei Itoh, vice-president of Japan Federation of Economic Organizations and chairman of Japan's Nissay Green Foundation.

Both Chen and Itoh expressed the desire to further their co-operation in a bid to improve the global environment.

Nissay Green Foundation has contributed more than 4.7 million Japanese yen to Green China Fund since last year. It has also planted Sino-Japanese friendship forest at the foot of the great wall in the suburbs of Beijing, together with Japan's forests culture association and other organizations.

Shandong Congress Delegation Leaves for Japan

SK1810034194 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 15 Oct 94

[FBIS Transcribed Text] At the invitation of Yamaguchi Prefectural Parliament of Japan, the friendly delegation of the Shandong Provincial People's Congress headed by Li Zhen, chairman of the provincial people's congress standing committee, will leave Shanghai for Japan on 16 October to pay a visit to the country.

During its stay in Japan, the delegation will meet the leading personnel of the Japanese prefectural parliament and government and hold further discussion with the Japanese prefectural authorities on substantive cooperation and exchanges between the province and the Japanese prefecture. By bearing in mind the province's situation, the delegation will also exchange opinions with the Japanese prefectural authorities on the work undertaken by the prefectural parliament in supervising the government affairs, on developing the local economy, and on establishing the local judicature. It will pay an official call on the leading personnel of the Japanese Diet in Tokyo.

When departing from Jinan to Shanghai on 14 October, the provincial people's congress delegation was seen off at the airport by Ma Zhongcai and Xu Xuemeng, vice chairmen of the provincial people's congress standing committee; Zhao Linshan, secretary general of the provincial people's congress standing committee; and responsible comrades from the provincial departments concerned.

Hebei Friendship Delegation Leaves for DPRK

SK1710045594 Shijiazhuang HEBEI RIBAO in Chinese 6 Oct 94 p 1

[FBIS Translated Text] In accordance with the agreement of the Chinese and DPRK Government Tourist Departments, and in order to further strengthen friendship between the peoples of the two countries and to promote the development of tourist industry, a 15-member friendly visiting delegation headed by Zhang Runshen, vice chairman of the Hebei Provincial Committee of the Chinese People's Political Consultative Conference, and accompanied by officials of the State Tourist Bureau and Hebei Provincial relevant departments, left for DPRK for a visit from 6 to 15 October. During the visit, in addition to conducting cultural and tourist exchanges, the delegation will also conduct on-the-spot investigation.

100-Day Memorial Service for Kim Il-song Held

*OW1710163194 Beijing XINHUA in English 1610
GMT 17 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 16 (XINHUA)—A 100th-day memorial service for late President Kim Il-song was held here today and Kim Chong-il, chairman of the National Defense Commission of the Democratic People's Republic of Korea (DPRK) and supreme commander of the Korean People's Army, was present.

Other party and state leaders were also among the 100,000 people from all the walks of life attending the service which was held at the Kumsusan Assembly Hall in Pyongyang.

Authorized by Kim Chong-il, secretary of the Central Committee of the Workers' Party of Korea Kim Ki-nam made a speech calling the whole party, the people and the army to uphold the leadership of Kim Chong-il in order to fulfil the tasks facing the nation.

He said that the party and the people are determined to maintain the peace of the country and peacefully reunify the Korean nation.

He continued, "We will further strengthen friendship and solidarity with the peoples of many countries in conformity with the idea of independence, peace and friendship, thus actively contributing to the cause of building a peaceful, prosperous and independent new world free from domination and subjugation."

From early this morning, thousands of people moved silently to the Mansu hill in central Pyongyang and laid wreaths before the statue of Kim Il-song.

Among the wreaths were also those laid by Kim Chong-il and other party and state leaders.

Envoy Hosts Reception for Sino-Mongolia Ties

SK1710041694 Beijing XINHUA Domestic Service in Chinese 1315 GMT 14 Oct 94

[By reporter Chang Wanlong (1603 8001 7127); "Chinese Ambassador to Mongolia Holds Reception To

Mark the 45th Anniversary of Establishment of Sino-Mongolia Friendship Relations"]

[FBIS Translated Text] Ulaanbaatar, 13 October (XINHUA)—Pei Jiayi, Chinese Ambassador to Mongolia, held a reception on 13 October to warmly celebrate the 45th anniversary of the establishment of friendly relations of the two countries of China and the State of Mongolia. Qiaoyinhuoer [name as transliterated], vice minister of foreign relations of the State of Mongolia, and other officials were invited to attend the reception.

Addressing the reception, Pei Jiayi said: Over the past 45 years, the two countries of China and the State of Mongolia have achieved great development in establishing relations in the fields of politics, economic and trade, culture, and science and technology. Particularly in the past few years, under the joint efforts of both sides, the two countries have achieved new and rapid development in their relations. During Premier Li Peng's visit to Mongolia in April this year, both sides signed a treaty on friendly cooperative relations, which was an epoch-making affair in the history of relations of the two countries. He reaffirmed that China would make unceasing efforts to promote the good neighborly and friendly cooperative relations between the two countries in line with this treaty and on the basis of the five principles of peaceful coexistence as before.

Vice Minister Qiaoyinhuoer gave a thank-you speech and expressed that he believed the good neighborly and friendly relations and the relations of equality and mutual benefit and cooperation between China and the State of Mongolia would be steadily developed on a long-term basis in line with the spirit of the treaty that had been signed.

West Europe**Vice Premier States Desire To Boost Danish Ties**

OW1810042194 Beijing XINHUA in English 0223
GMT 18 Oct 94

[FBIS Transcribed Text] Copenhagen, October 17 (XINHUA)—China's Vice Premier Zou Jiahua expressed his hopes here today that China and Denmark will further expand their political, economic and trade relations.

Meeting with Danish Foreign Minister Niels Helle Petersen, Zou said the two countries are mutually complementary in trade and that China is willing to develop cooperation with Denmark in all fields.

Speaking of bilateral relations, Petersen said that in addition to economic cooperation, Denmark also hopes to strengthen cultural exchanges with China.

Denmark also supports China in its efforts to gain membership in the World Trade Organization as soon as possible, Petersen added.

At another meeting with Danish Prime Minister Poul Nyrup Rasmussen early today, Zou said the Chinese Government attaches great importance to its relations with Denmark.

Nyrup, meanwhile, lauded China's rapid economic progress in recent years and said his country will make greater efforts to expand cooperation with China and to actively participate in China's economic construction.

The Chinese vice premier was in Copenhagen on a four-day official visit which ends today.

Joint Project With Germany Set Up in Anhui

OW1810105194 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 11 Oct 94

[From the "Provincial Hookup" program]

[FBIS Translated Text] A ceremony was held in Hefei on 10 October for the signing of a memorandum of understanding between China and Germany on a technical survey for the ecological shelterbelt project in the middle reaches of the Chang Jiang in Anhui Province. Wang Zhaoyao, member of the standing committee of the provincial party committee and vice governor, attended the signing ceremony.

Since 15 September, Dr. (Liz) and Dr. (Petrow), who were dispatched by the German Government, together with the Forestry Resources Laboratory of the Anhui Agricultural University, the provincial Forestry Science Institute, and the provincial Forest Pests and Diseases Prevention and Treatment Center, conducted a survey on plant resources, soil erosion, and the prospects for the development and utilization of beach resources in Yuexi, Taihu, Susong, Wangjiang, and Dongzhi counties along the Chang Jiang. A feasibility report was prepared based on the survey.

In his speech, Wang Zhaoyao said: The Sino-German project provides a good opportunity for improving Anhui's ecological environment. The Anhui provincial government will continue to attach importance to it and will actively mobilizing governments and people in the project area to implement what is required under the project plan to ensure better results.

(Zhang Hongsheng), deputy secretary general of the provincial government, and responsible comrades of provincial departments concerned attended the signing ceremony.

Shanghai's Mayor at Ceremony for Ties With Milan

OW1710144394 Beijing XINHUA in English 1423
GMT 17 Oct 94

[FBIS Transcribed Text] Shanghai, October 17 (XINHUA)—A memorandum of friendly exchanges between this China's largest business center and the Italian industrial city Milan was signed here today.

The Shanghai Mayor Huang Ju and the Milan Mayor Marco Formentini attended the signing ceremony.

The exchanges cover trade, industrial technologies, science and technology, medical and health care, urban construction, environmental protection and sanitation, culture, sports, and agriculture.

In addition, an economic and trade seminar between the two cities was opened here this afternoon.

Li Peng Meets Swedish Entrepreneurs

*OW1810111494 Beijing XINHUA in English 1103
GMT 18 Oct 94*

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—Chinese Premier Li Peng today had a discussion with Jahn Soren Gyll, visiting president of the Swedish Volvo car corporation, on cooperation in car production between the two countries.

At the meeting Li Peng extended his warm welcome to Gyll and his party, saying China and Sweden have enjoyed good relations and their entrepreneurs have frequent exchanges.

He noted that the cooperation between the Chinese side and Volvo car corporation has already had a good beginning.

“We hope that the two sides will continue to seek for the expansion of their cooperation,” he added.

Li Peng briefed the visitors on China's policy on car industry.

Gyll and his party are here as guest of the Ministry of Machinery Industry.

Qiao Shi Attends Performance by Swiss Choirs

*OW1710170794 Beijing XINHUA in English 1646
GMT 17 Oct 94*

[FBIS Transcribed Text] Beijing, October 17 (XINHUA)—The Pro Arte Choir of Lausanne (CPAL) of Switzerland, the Swiss Romand Chamber Choir (CCR), and the China Film Philharmonic cooperated here this evening in a joint concert.

Chairman of the Standing Committee of China's National People's Congress Qiao Shi, Minister of Radio, Film and Television Sun Jiazhen, and Swiss Ambassador to China Erwin Schurtenberger attended the concert.

Musicians from the two countries performed the mass for double choir a cappella composed by Frank Martin and the requiem by W. A. Mozart.

The concert, which was conducted by the Swiss conductor Andre Charlet and the Chinese conductor Li Huade, received a welcome from an audience of over 1,000.

During the break, Qiao Shi met with Swiss musicians, hoping that they can cooperate successfully with their Chinese partners.

The Swiss guests arrived here at the invitation of the China Film Philharmonic after concluding their performances in Xian.

Political & Social

Beijing Citizens Interested in 'Three Elders' Health

OW1810120794 Tokyo *YOMIURI SHIMBUN* in Japanese 18 Oct 94 Morning Edition p 4

[By Toshiaki Arai]

[FBIS Translated Text] Beijing, 17 Oct—The attention of people in Beijing is now focused on the health of the so-called "three elders" of China. Rumors about their serious sickness, and even death, often come up in conversation among the people.

The "three elders" are China's supreme leader Deng Xiaoping (age: 90), former CPC Central Advisory Commission Chairman Chen Yun (age: 89), and Peng Zhen (age: 92), a former chairman of the National People's Congress Standing Committee who is believed to still have influence over the law enforcement authorities.

According to an informed source, Deng Xiaoping is suffering from steady progression in the symptoms of Parkinson's disease. However, the disease is characterized by rhythmic tremor and muscular rigidity, and is unlikely to cause sudden death. A recent report said a neighbor of Deng Xiaoping saw him standing at the gate to meet his grandson coming back from school.

The Foreign Ministry spokesman said at the 13 October press conference that Deng Xiaoping is "in good health," and it seems he is alright for the time being.

On the other hand, Chen Yun's recovery has not been satisfactory. He is reportedly in a Beijing hospital with a respiratory problem, and it is said he has lost much of his vigor of late.

Peng Zhen's recovery surprised the people of Beijing. They thought there was no hope of him recovering when he was hospitalized for a cerebral hemorrhage; however, he showed up on a field trip escorted by the Beijing mayor on 8 October, and caught up on recent development in the city.

Deng Xiaoping and Chen Yun have not appeared at any public occasions since the Chinese New Year in February. Ironically, it seems the three elders are far stronger than anyone might think from their ages.

Report on Studying Guidelines, Decision

OW1510131994

[FBIS Editorial Report] PRC media from 1 to 12 October carried reports on the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the "Decision of the CPC Central Committee Concerning Some Major Issues on Strengthening Party Building" being relayed and studied at both the central and provincial levels.

Lhasa XIZANG RIBAO in Chinese on 1 October carries an 800-character report on page 1 about a joint party-government meeting convened by the Tibet regional party committee in Lhasa on 30 September to relay the guidelines. Guo Jinlong, deputy secretary of the regional party committee, chaired the meeting. "Regional party and government leaders, including Yang Futang, Chen Hanchang, Zi Cheng, Lu Huimin, Toinzhub, Cering Zhuoga, and Luosang Toinzhub, attended the meeting." Following the instructions of Secretary Chen Kuiyuan, the regional party committee had earlier issued a circular on relaying and studying the guidelines, according to the report.

Urumqi Xinjiang Television Network in Mandarin at 1330 GMT 6 October, during its regular "Xinjiang News" program, carries a 2-minute video report on a teleconference held by the Xinjiang regional party committee on 5 October to relay the guidelines to leading party cadres of regional departments, bureaus, prefectures, autonomous counties, cities, and counties. Wang Lequn, deputy regional party secretary, urges party committees at all levels to relay the guidelines to all grassroots party organizations and members "at the earliest."

Hefei Anhui People's Radio Network in Mandarin at 1100 GMT on 9 October, during its "Provincial News Hookup" program, carries a 6.5-minute report on the closing of the 11th enlarged meeting of the Fifth Anhui Provincial CPC Committee in Hefei on 8 October. According to the report, participants "earnestly" studied and discussed documents of the Fourth Plenary Session of the 14th CPC Central Committee. They "unanimously support" the "Decision of the CPC Central Committee Concerning Some Major Issues on Strengthening Party Building" adopted at the plenary session. Lu Rongjing, provincial party secretary, asks all party organizations to give priority to organizational building in line with the plenary session decision. Fu Xishou, deputy secretary and governor, discusses arrangements to be made on future work in light of the guidelines.

During the same cast, the radio broadcasts a three-minute "station commentary" on the guidelines. Entitled, "Now that the General Policy Has Been Set, the Key Lies in Its Implementation," the commentary asks all party organizations to implement the guidelines in accordance with the plan made at the enlarged meeting of the provincial party committee. To implement the guidelines, it says, "we must first study well the documents of the Fourth Plenary Session and deepen our understanding of them." The commentary asks leading cadres at all levels to take the lead in studying the guidelines.

On 10 October, also during the regular "Provincial News Hookup" program, the same station broadcasts a 4-minute report on the opening of the 10th enlarged meeting of the Anhui Provincial Discipline Inspection Commission in Hefei on 9 October. According to the report, the meeting's principal agenda included the study

of the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee guidelines to ensure the implementation of the "Decision of the CPC Central Committee Concerning Some Major Issues on Strengthening Party Building." Chen Guanglin, secretary of the provincial Discipline Inspection Commission, gives an "important" speech at the meeting. The meeting asks all discipline inspection and supervision organs to actively oversee the implementation of the guidelines of the Fourth Plenary Session.

Beijing XINHUA Domestic Service in Chinese at 0643 GMT on 11 October transmits a 1,067-character item on a report meeting jointly held by the CPC Central Committee Propaganda Department, the Work Committee of Organs under the Central Committee, the Work Committee for Central Government Organs, the General Political Department of the People's Liberation Army, and the Beijing Municipal Party Committee on 11 October. Zhao Zongnai, executive deputy head of the CPC Central Committee Organization Department, reports on the "Decision of the CPC Central Committee Concerning Some Major Issues on Strengthening Party Building" adopted at the plenary session. He stresses the importance of building well the 54 million-member ruling party and the need to translate the plenary session's decision into practice.

Lhasa Tibet Television Network in Mandarin at 1200 GMT on 11 October, during its regular "Regional News Hookup" program, carries a 1.5-minute video report on a meeting held by the core study group of the Tibetan People's Armed Police Corps Party Committee on 10 October to study the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee. The meeting asks all armed police units in the region to "concretely and effectively" study the guidelines and to "fully and flexibly" apply them in practice.

The same television network on 12 October, also during its regional news hookup program, carries a 1.5-minute video report on the enlarged meeting held by the Tibet regional party committee standing committee in Lhasa on 12 October to relay and study the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee. According to the report, Gyaincain Norbu, Guo Jinlong, Basang, and Danzim, deputy party secretaries; Puqung, Zheng Ying, and Li Weilun, vice chairmen of the regional people's congress; Laba Pngcuo, Cering Sangzhub, Toinzhub, and Luosang Toinzhub, vice chairmen of the regional people's government; Jimzhong Gyaincain Puncog, Wang Hailin, Zhou Qishun, and Yang Chaoji, vice chairmen of the regional committee of the Chinese People's Political Consultative Conference; Qiu Jian, deputy political commissar of the Tibet Military District; Bai Zhao, president of the regional higher people's court; and Yang Youcui, chief procurator of the regional people's procuratorate, attended the meeting. Deputy Secretary Raidi chaired the meeting.

Hangzhou Zhejiang People's Radio Network in Mandarin at 1000 GMT on 11 October, during its "Provincial News Hookup" program, carries a 3-minute report on a provincial forum held in Hangzhou on 11 October by the provincial party committee and government to discuss education in the party's basic line conducted on a trial basis in select localities in the countryside. According to the report, this year's education in Zhejiang's countryside will concentrate on the study and implementation of the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and on in-depth study of Deng Xiaoping's socialist market economic theory to promote reform, development, and stability in rural areas. Vice Governor Liu Xirong chaired the forum. Deputy Secretary Liu Feng spoke at the forum.

In its provincial news hookup program on 12 October, the radio carries a 1.5-minute report on the opening of the eighth standing committee meeting of the Seventh Zhejiang Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] in Hefei on 12 October. Liu Feng, deputy secretary of the provincial party committee and chairman of the provincial CPPCC committee, chaired the morning meeting. Cai Songyue, deputy secretary and executive vice governor, relayed the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee. Vice Governor Xu Zhichun attended the meeting.

The Shanghai People's Radio Network in Mandarin at 2300 GMT on 11 October, during its "Morning News" program, carries a 1-minute report on the 10th standing committee meeting of the municipal CPPCC committee held on 11 October to study the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee. Chairman Chen Tiedi chaired the meeting. Vice Chairman Mao Jingquan relayed the guidelines. Chen Tiedi asks all CPPCC members to actively help the CPC carry out its party building.

Qian Qichen Inspects Tianjin 14-15 Oct

OW1610100894 Beijing XINHUA Domestic Service in Chinese 1500 GMT 15 Oct 94

[By TIANJIN RIBAO reporter Wang Hong (3769 1347) and XINHUA reporter Zhang Shuying (1728 3219 5391)]

[FBIS Translated Text] Tianjin, 15 Oct (XINHUA)—Qian Qichen, member of the CPC Central Committee Political Bureau, vice premier of the State Council, and minister of foreign affairs, during an inspection trip to Tianjin, said: On the whole, Tianjin is blessed with opportunities, favorable geographical position, support from the people, good infrastructure, and favorable trends in reform, opening up, and economic development. It stands a good chance of success.

Accompanied by Gao Dezan, secretary of the Tianjin municipal party committee, and Mayor Zhang Lichang,

Qian Qichen from 14 to 15 October inspected Tianjin Port's container terminal, bonded zone, development zone, seamless steel company, mini-car motor works of an auto-industry company, Tianjin television tower, and Tianjin sports center, which was built in anticipation of the 43d World Table Tennis Competition. On the afternoon of 15 October, Qian Qichen heard work reports by responsible comrades of the Tianjin municipal office of foreign affairs, office of overseas Chinese affairs, and tourism bureau, and exchanged opinions with leading comrades of Tianjin Municipality during discussion meetings.

Qian Qichen pointed out: Our country's reform, which has proceeded from south to north and from coastal areas to the hinterland, has shown a very good trend and very rapid development, especially since Comrade Deng Xiaoping delivered his talks after inspecting southern China. Tianjin is progressing toward comprehensive reform and opening up. Its development zones have grown quite large, and its bonded zones offer good facilities and services. Tianjin also boasts of such assets as freeways, railways, airports, ports, and wide expanses of land, and it has very good infrastructure. Tianjin has aimed high in its opening up, which has proceeded at high speed and yielded good benefits; a new situation characterized by vigorous development has taken place.

On the construction of ports, Qian Qichen said: We should improve services while improving our facilities. First of all, we should improve services to enterprises in the hinterland as we continue to improve the standards of external services. Food and accommodation should not be the only concern if we want to attract foreign investment and develop the tertiary industry. More importantly, we should develop sophisticated-processing services and industries related to storage of goods.

Qian Qichen said: Tianjin should further display its assets, tap its potential, and push its opening up to a climax. It should also handle well its foreign affairs, overseas Chinese affairs, and contacts across the Taiwan Strait; vigorously develop the tourist industry; and fully utilize favorable factors in Beijing and Tianjin to strengthen exchanges and promote cooperation, so as to make faster and greater strides in opening up.

Deng Pufang Greets Asian Games Team at Airport

OW1810045394 Beijing Central People's Radio Network in Mandarin 2230 GMT 17 Oct 94

[From the "News and Press Review" program]

[FBIS Translated Excerpt] Chinese athletes returned to Beijing last night, bringing home their gold medals, prizes, and the great results which they won at the Hiroshima Asian Games through their relentless struggle. Liu Ji, vice minister of the State Physical Culture and Sports Commission; He Zhenliang, former vice minister of the commission; and Deng Pufang,

president of the Chinese Federation for the Disabled, went to the airport to greet the victorious return of the Chinese sports delegation. [passage omitted]

Yuan Weimin, head of the Chinese sports delegation and vice minister of the State Physical Culture and Sports Commission, said the Chinese sports delegation was able to achieve remarkable results because of the concern and support from the CPC Central Committee, the State Council, and the Chinese people, adding we should first thank them for their concern and support.

As of yesterday, all members of the Chinese sports delegation which participated in the Hiroshima Asian Games had returned to China.

'17th Living Buddha' Visits Sichuan

OW1710042894 Beijing XINHUA in English 0346 GMT 17 Oct 94

[FBIS Transcribed Text] Chengdu, October 17 (XINHUA)—The 17th Living Buddha Garmaba has paid a visit to Sichuan Province of southwestern China after he left Shanghai on October 13.

He and his party were warmly received by leading officials of the province, which is adjacent to Tibet and has a big Tibetan population.

During his stay, the 10-year-old Garmaba ascended the Emei mountain, one of the four major holy lands of Chinese Buddhism in western Sichuan.

This was Garmaba's last stop of his three-week pilgrimage out of Tibet.

The child and his party told XINHUA that they were deeply moved at the generous receptions made by governments at various levels. The visit has deepened their understanding of the motherland and consolidated their religious belief, they said.

The Garmaba will go back to his Tibet-based Curbo Monastery in a few days.

Circular Urges Strict Medicine Management

OW1710143694 Beijing XINHUA Domestic Service in Chinese 2132 GMT 13 Oct 94

[FBIS Translated Text] Beijing, 14 Oct (XINHUA)—The State Council recently issued an urgent circular on further strengthening pharmaceutical management.

The circular said: Pharmaceuticals are special commodities that affect people's lives and health. An important task in protecting the people's physical health, in maintaining social stability, and in ensuring smooth progress in reform, opening up, and economic construction is to strengthen pharmaceutical management, guarantee the quality of pharmaceuticals, and ensure that safe and efficacious pharmaceuticals are readily available to the people. Since the introduction of reform and opening up, China's pharmaceutical industry has developed rapidly.

To strengthen pharmaceutical management, the state formulated the "Law of the People's Republic of China on the Management of Pharmaceuticals" and a number of supplementary administrative rules and legal documents. On several occasions, it also organized people to concentrate on fighting illegal and criminal activities involving the production and marketing of counterfeit and substandard pharmaceuticals, scoring some measure of success in this regard. Quite a few problems, however, remain in pharmaceutical management, and some of these are rather serious. A glaring problem is that illegal and criminal activities involving the production and marketing of counterfeit and substandard pharmaceuticals cannot be stopped despite repeated attempts to ban them. These activities have evoked strong reaction from society and people because they have seriously jeopardized people's lives and health, hurt national interests, disrupted economic order, and corrupted social values.

The circular urged people's governments at all levels and relevant departments to improve their understanding and earnestly strengthen leadership over pharmaceutical management. They should assume a highly responsible attitude toward the country and people; take strong measures; earnestly implement laws and administrative rules on pharmaceutical management; tighten supervision, management, and overall control over the production and marketing of pharmaceuticals; restore and regulate order in pharmaceutical production and marketing; crack down hard on cases involving violations of the law and discipline as part of the anticorruption drive; and establish a unified, open, competitive, and orderly system for producing and selling pharmaceuticals. People's governments at all levels should institute a system for evaluating government leaders' performance in attaining established pharmaceutical management goals during their terms in office. Government and relevant department leaders in areas known for pharmaceutical mismanagement should be brought to account in accordance with the law.

The circular said: At present, people's governments at all levels and relevant departments should focus on the following tasks:

1. Screening and regulating enterprises and self-employed entrepreneurs engaged in the production and marketing of pharmaceuticals. People's governments at all levels and their departments in charge of the production and marketing of pharmaceuticals, public health, and industry and commerce must strictly review, in accordance with the law, the qualifications of applicants who apply for the establishment of enterprises that produce and sell pharmaceuticals and follow the procedures for examination and approval. Those who are not qualified or do not apply in accordance with the examination and approval procedures should not be permitted to set up such enterprises. Unqualified enterprises which have already been set up should be shut down resolutely in accordance with the law.

All producers of pharmaceuticals must obtain "inspection certificates for pharmaceutical-producing enterprises," "permits for pharmaceutical-producing enterprises," and "business licenses" in accordance with legally established procedures. Wholesalers and retailers of pharmaceuticals must obtain "inspection certificates for pharmaceutical-trading enterprises," "permits for pharmaceutical-trading enterprises," and "business licenses" in accordance with legally established procedures. Enterprises which have already been set up but which have not obtained the aforesaid documents or whose documents are incomplete should be shut down resolutely in accordance with the law.

Self-employed entrepreneurs may apply for doing pharmaceutical retail business in accordance with the law, but they may not engage in pharmaceutical production and wholesale business (except for those who are permitted in accordance with the law to do wholesale business in markets specializing in herbal medicines).

2. Restoring and regulating production and trading order for pharmaceuticals and strengthening the management of pharmaceutical sales in accordance with the law. Those who have not obtained, in accordance with the law, "inspection certificates for pharmaceutical-producing enterprises," "permits for pharmaceutical-producing enterprises," "inspection certificates for pharmaceutical-trading enterprises," "permits for pharmaceutical-trading enterprises," and business licenses may not produce or trade in pharmaceuticals. Resolute measures should be taken against units and individuals who engage in pharmaceutical production and wholesaling without authorization. Pharmaceutical-producing and wholesaling enterprises may not be contracted to individuals for operation. Medical institutions and pharmaceutical-trading enterprises must buy pharmaceuticals from enterprises which have been permitted to legally produce or trade in pharmaceuticals, and they are strictly forbidden to buy pharmaceuticals from illegal traders.

Public health departments should strictly review advertisements for pharmaceuticals, and, in conjunction with relevant departments, mete out punishment in accordance with the law for illegal acts that violate pharmaceutical advertising regulations, exaggerate the efficacy of medicines, and mislead patients in using medicines.

3. Screening and regulating markets specializing in herbal medicines. The state bans country markets for pharmaceuticals other than those specializing in herbal medicines. It also bans sales in markets specializing in herbal medicines of those herbal medicines, herbal patent medicines, herbal pieces for decoction, chemical drugs and related preparations, antibiotics, biochemical drugs, radioactive medicines, serum vaccines, blood products, and diagnostic medicines whose sales are restricted by state regulations.

In setting up markets specializing in herbal medicines, all localities must select major herbal medicine production sites or distribution sites, in accordance with the

overall plan of the State Council's department in charge of pharmaceutical production and trading industries, subject to examination and approval by the State Council's departments in charge of pharmaceutical production and trading industries, public health, and industry and commerce. Local people's governments at all levels and other departments have no right to examine and approve applications for setting up markets specializing in herbal medicines.

Existing markets specializing in herbal medicines should be screened, and all markets not up to standard should be closed. Local governments should clamp down in accordance with the law on country markets for pharmaceuticals, other than those specializing in herbal medicines, that were set up without authorization. Public health departments should tighten supervision over herbal medicines sold in country markets devoted to farm produce.

4. Improving the protection of pharmaceutical-related intellectual property rights and encouraging enterprises to research and develop new pharmaceuticals. The State Council's departments in charge of public health and pharmaceutical production and trading industries should devise feasible plans to encourage enterprises, scientific research institutes, and colleges and universities to display a creative spirit and propel the development of China's research and development regarding new pharmaceuticals. Enterprises without relevant certificates may not imitate and produce herbal medicines under state protection.

The circular urged local people's governments at all levels and relevant departments to strictly enforce the law and wage an intensive drive to combat illegal and criminal activities involving the production and marketing of counterfeit and substandard pharmaceuticals. National and local organizations for coordinating "anticounterfeiting" efforts should organize public health, pharmaceutical, industrial and commercial, technology supervision, and public security departments to crack down hard on such activities on a priority basis as part of "anticounterfeiting" efforts. Cases involving the production and marketing of counterfeit and substandard pharmaceuticals in violation of the law and discipline should be investigated and dealt with on a priority basis during the anticorruption drive. Breaches of the law and discipline committed on the job, such as abusing one's authority, neglecting one's duties, practicing favoritism, and committing fraudulent practices, must be dealt with sternly in accordance with the law. Local government leaders, the leaders and persons in charge of relevant departments, and directly responsible persons must be brought to account in accordance with the law if they have inflicted heavy losses on the people by covering up and condoning illegal and criminal activities involving the production and marketing of counterfeit and substandard pharmaceuticals to serve the interests of their localities and departments. If the circumstances are so serious as to constitute crimes, they should be criminally investigated.

In closing, the circular said: The relevant departments of people's governments at all levels should share work according to their duties, take charge of their respective assignments, and support and cooperate with each other in improving pharmaceutical management.

Ministries Mark World Food Day

OW1410163894 Beijing XINHUA in English 1603
GMT 14 Oct 94

[FBIS Transcribed Text] Beijing, October 14 (XINHUA)—China's agriculture and water resources ministries today marked this year's World Food Day which falls on October 16, calling for reasonable use of water resources so as to promote the steady growth of grain production.

Addressing today's commemorating ceremony, Zhang Chunyuan, vice-minister of water resources, said China is a country which is in relatively short supply of water resources and often beset with both flood and drought.

Since 1949 when the people's republic was founded, he said, China has engaged itself in construction of dykes, reservoirs and pumping wells. The effort has boosted the irrigated land from 16 million hectares in 1949 to 49.33 million hectares. Another 24 million hectares of water-logged low land and saline-alkali land have been brought under control.

As a result, he said, China's grain production has jumped from 112.6 billion kg in 1950 to the current 450 billion kg.

However, Zhang noted, China is suffering from a series of problems in the development of water conservancy, especially lack of infrastructure, outdated facilities and serious soil erosion which cause losses up to ten billion kg of grain annually.

To produce 500 billion kg of grain by the year 2000, China must accelerate the construction of water conservancy projects, especially along the major rivers so as to combat serious floods which frequently hit various parts of China. Efforts must also be made to step up construction of irrigation facilities, he said.

Wan Baorui, vice-minister of agriculture, also emphasized the importance of water-saving and increasing investment in water conservancy as well as control of water pollution.

Activist Discounts Official Mine Casualty Figures

HK1510081994 Hong Kong SOUTH CHINA MORNING POST in English 15 Oct 94 p 10

[By Chan Wai-fong]

[FBIS Transcribed Text] Despite official claims that China's mining safety improved in 1993, the situation has worsened as the number of private and individually operated coal mines soared, leading labour activist Han

Dongfang said. In his report to the Miners' International Federation (MIF) this month, Mr Han estimated that 10,000 workers died in coal mining accidents last year, twice the official figure which showed that 5,036 people died in accidents in 1993 and 3,476 of them perished in individually operated mines. But the statistics had not taken into account other accidents in the mushrooming individual or privately owned coal mines.

The Chinese Government had a "tradition" of "shrinking" figures that were not favourable, Mr Han said. "Many of them operate illegally within state-run mines. They bribe government officials. So even if there is an accident, they can still continue to operate given that the accident has not been exposed by the media," he said.

The non-existence of independent trade unions and the very low social and economic status of Chinese miners were the main factors behind their plight, said Mr Han, the Hong Kong-based labour activist jailed for 22 months for running the independent Autonomous Workers' Federation since June 1989. "Peasants are the lowest social stratum in China, and miners are the lowest among workers because most of them were farmers," he said. They left their fields for the mines where there was no awareness of safety and bosses put production before everything, Mr Han said.

Wang Jiaqi, a dissident in exile in the United States who worked for three years as a coal miner, told the MIF that a coal mine in Tangshan in Hebei province had dismantled a gas alarm system in the early 1980s because it disrupted production.

Coal miners, victims of silicosis, had a 20-year working span before they were forced to retire or transfer to other jobs, Mr Han said. In order to fill vacancies, mine bosses would take contract and temporary workers who enjoyed no medical, housing or retirement protection, he said. "Some are migrant workers from other provinces who work without contracts. They have no knowledge of mining, nor are they informed about safety operation. Some only sign an agreement saying that the miner will be compensated if he dies in an accident and on condition that no lawsuit will be pursued by his family. "They would still take the contract because this is a way out of the land. And the compensation, a total of 20,000 yuan (HK\$ 18,060) in one case, is more than they can earn in a lifetime," Mr Han said. Raising miners' safety awareness and the creation of free trade unions so that workers can have genuine collective bargaining power was the solution, he contended.

During the first six months of 1994, 595 died in mine explosions, a 47 per cent increase over the same period last year, according to official reports. Mr Han said the toll would be much higher in the second half of the year because mines were rushing to meet production deadlines.

Paper Publishes List of Jailed Journalists

HK1810104194 Hong Kong *SOUTH CHINA MORNING POST* in English 18 Oct 94 p 13

[FBIS Transcribed Text] The Chinese Government has not released full details on journalists and editors in jail. The following list is a collection of names and some relevant information announced by the government in the past few years. The actual accounting could be many times higher than documented here.

In Jail

Beijing

Bai Weiji. Worked for Foreign Ministry monitoring foreign news and writing news summaries. Arrested on May 5, 1992. Tried in secret on May 13, 1993. Sentenced on May 20, 1993, to 10 years in prison for "illegally providing state secrets to a foreigner".

Guan Jian. A former reporter for a Beijing newspaper who worked for a foreign organisation before being arrested. Sentenced to 20 years in jail for "disclosing state secrets to outsiders" and "spying" for Taiwan.

Wang Jun. A journalist for the PEOPLE'S DAILY'S OVERSEAS EDITION. Reportedly arrested around May 25, 1992, and sentenced to two years in prison. He was reportedly disciplined for his participation in the pro-democracy movement and banned from continuing to work as a journalist. Tried and sentenced in connection with the case of Bai Weiji. It is believed he may have been freed.

Wu Shishen. An editor in the domestic news department of XINHUA and a graduate of Fudan University's journalism department. Sentenced to life imprisonment in April 1993 on charges of "leaking state secrets overseas." The charges referred to Wu's provision to a Hong Kong reporter, Leung Waiman, of an advance copy of Jiang Zemin's speech to the 14th party congress in 1992.

Ma Tao. Wife of Wu Shishen and an editor at the magazine CHINA HEALTH EDUCATION NEWS received a six-year sentence for being Wu's "accomplice".

Xi Yang. Hong Kong journalist for MING PAO newspaper. Detained in Beijing in September 27 1993. Held incommunicado for 10 days and officially charged on October 7, 1993, for "stealing state financial secrets." Sentenced on March 28, 1994 to 12 years in prison and two years deprivation of political rights. Appeal and sentence ratified by Beijing High Court in April 1994.

Yang Jianwen. Reportedly sentenced to 10-year prison term for taking part in the May 1989 protest activities of the Writer's Class at Beijing University.

Yu Dongyue. A fine arts editor of the LIUYANG NEWS. Tried on August 11, 1989, on charges of "counterrevolutionary sabotage and incitement" and sentenced to 20 years' imprisonment. Started sentence in Hunan's Lingling Prison and was transferred to another jail in 1992.

Zhang Jingsheng. A veteran pro-democracy activist. Arrested just after June 1989 by the Changsha Intermediate People's Court on charges of "counterrevolutionary propaganda and incitement" and sentenced to 13 years' imprisonment. During the Democracy Wall period, Zhang was chief editor of two unofficial pro-democracy journals, THE REPUBLICAN and THE WANDERER.

Hubei

Qin Yongmin. Wuhan Democracy Wall participant. Sentenced in Wuhan in January 1994 to a two-year term of "labour reeducation" for "seriously disturbing social order." Qin has been in and out of jail since 1979 when he was arrested for selling pro-democracy magazines. A former worker in the Wuhan Steel Mill, Qin edited and wrote articles during the Democracy Wall movement for the unofficial journal Sound of the Bell and was chief organiser of the dissident April 5 Study Society.

Shanghai

Fu Shenqi. A worker in a Shanghai generator factory and a member of the Communist Youth League. First arrested in April 1981 in connection with two unofficial journals he edited during the Democracy Wall movement—MINZHU ZHI SHENG (VOICE OF DEMOCRACY) was founded in 1979 and ZEREN (RESPONSIBILITY) began publication shortly after the founding of the National Association of Unofficial Magazines in October 1980. He was sentenced to three years' "reeducation through labour" for allegedly "inciting trouble" among Shanghai's dissident community and speaking to foreign reporters.

Arrested But Not Tried

Beijing

Liu Taiheng. A publisher at the Hainan Publishing House. Arrested in mid-October 1993 and, as of December, was still being held by the provincial police in connection with a best-selling book published in August 1993.

Zheng Zhongbing. A liberal author and former editor of the now-defunct journal NEW OBSERVER. Refused visa to attend an academic conference held in Princeton, United States, in October 1993.

Shanghai

Xu Keren. A senior editor at Shanghai's XIMIN EVENING NEWS. Prevented from leaving China on October 1 1993. Xu had been under close watch since he published an article about alleged ties between public security officials and nightclub owners in Shanghai. Charged by the public security authorities for libel but the case was reportedly dropped three months ago. It remains unclear if he was allowed to exit. He was reportedly transferred "off the frontline" to become an editor of a bimonthly magazine on painting.

Arrested and Outcome Unknown

Fan Jianping. An editor at BEIJING DAILY. Arrested soon after the June 4 crackdown in 1989.

Jin Naiyi. Journalist at BEIJING DAILY. Arrested soon after June 4 crackdown.

Li Jian. A journalist at WENYI BAO, a Beijing literature and arts journal. Arrested soon after the crackdown.

Li Xiaohua. A writer and former editor at the People's Liberation Army Literature Publication House in Beijing. Arrested in mid-June 1989. According to information provided by PEN [expansion not given], Li was thought to have been arrested after allegedly collecting money for student protesters in Beijing and passing information to a Hong Kong journalist. Reported to have escaped to Guangzhou on June 10, 1989. It is believed he is now held in a Beijing prison.

Liu Xianbin. Arrested in April 1991, for publishing an unauthorised journal, DEMOCRACY FORUM. According to PEN, Liu faced trial in mid-December 1989, and is believed to have received a three or four-year sentence.

Ma Chengyi. People's Liberation Army Publishing House editor of WHITE SNOW, RED BLOOD. Detained in 1990.

Shanghai

Yu Zhongmin and Shi Binhai. Both reporters for the SHANGHAI FAZHI YUEKAN, a law monthly. Arrested during the summer or autumn of 1989 for their involvement in the democracy movement. Shi is said to have been released but that has not been confirmed.

Inadequate Account

Jiangxi

Hong Yibin. A poet and editor of the arts journal BAI HUA ZHOU. Arrested sometime after June 4, 1989. No news of his release.

Presumed Released

Hunan

Qin Dong. A journalist for a newspaper in Hunan. Tried on a charge of "counterrevolutionary propaganda and incitement" in 1990 and sentenced to four years' imprisonment.

Further on Release of Dissident Liu Nianchun

HK1810020894 Hong Kong SOUTH CHINA MORNING POST in English 18 Oct 94 p 11

[By John Kohut in Beijing]

[FBIS Transcribed Text] Labour activist Liu Nianchun was released yesterday after more than four months in detention, but plain-clothes police continued to keep a

close watch on his home in Beijing, the dissident's wife Chu Hailan said. Ms Chu said her husband had been kept under police guard at a guesthouse in the Haidian district of Beijing after he was picked up by police officers in late May.

Speaking briefly over the telephone, Mr Liu said police told him that he had been detained because he had broken the law by making public reports of the formation of the League for the Protection of the Rights of the Working People and by recruiting members before it had been officially recognised. Although the police said he had broken the regulation, they also said his action had not gone far enough to constitute a crime. Along with lawyer Zhou Guoqiang, Mr Liu, 46, is one of the main activists behind the league.

Despite Mr Liu's release yesterday, there was still no word on the condition of Mr Zhou, who was detained at around the same time as Liu. The reason police gave for detaining him was that the "had been problems with his application for setting up a workers' league" Ms Chu said. After being denied the right to see him or even send him clothing over the past few months, Ms Chu said she was astounded when police drove her husband home yesterday afternoon.

While in detention Mr Liu had been fed reasonably well, compared with the normal standards for detainees. Nevertheless, he came home looking thin and very pale.

Over the past months police guards—at first four, and then later only two kept constant watch over Mr Liu, making very detailed notes of his every word and action. "If he spat, they wrote that down," she said. By even now, "he's not really free", Ms Chu said. As many as five plain-clothes police at any one time were guarding their home late yesterday.

Before leaving the makeshift detention centre, Mr Liu told police he would take action if he discovered other dissidents such as fellow labour activist Zhang Lin, or Shanghai dissidents such as Bao Ge and Yang Zhou were still being held. All three have recently been sent to labour camps for three years, a punishment that does not require court procedures.

Last March Mr Liu was held in police custody for a day. He was warned that he would be rearrested if he left his home. Despite the threat, he did not abandon his goal of establishing a workers' league. But his attempt to win official recognition for the league failed when the Ministry of Civil Affairs turned down the application.

Mr Liu's political activism dates from the Democracy Wall movement in the late 1970s. He served a three-year prison term beginning in 1981 for writing articles about his imprisoned brother Liu Qing which appeared in Taiwanese and Hong Kong publications. He is also one of the founders of the Peace Charter set up late last year by a number of dissidents who advocate working out a peaceful transition to a democratic political system.

Shanghai Dissident Sentenced to Re-Education

HK1810081094 Hong Kong AFP in English 0628 GMT
18 Oct 94

[FBIS Transcribed Text] Shanghai, Oct 18 (AFP)—Li Guotao, president of the Shanghai-based Chinese Human Rights Association, has been sentenced to three years in a re-education camp, his brother announced Tuesday.

Li is the fourth Shanghai dissident to have his sentence made public in the past week. The sentences were passed last month, but relatives were only recently told.

"I received a notice on October 7 saying my brother has been sentenced to three years in a re-education camp," Li Guohui said.

He said he had tried without success to find out where his brother had been detained since his arrest on May 2. "I have requested a meeting with my brother but have not received a reply."

The association spokesman Yang Zhou, one of China's most active dissidents, Bao Ge, and Yang Qinheng, who took part in peaceful pro-democracy demonstrations in Shanghai, were all given three year terms in re-education camps.

All four were picked up during a police sweep of Shanghai activists in May and June.

Li, a former teacher at the Institute of Mechanical Engineering in Shanghai, had previously served a two-year sentence for his role in the 1989 pro-democracy movement.

According to Yang Zhou, Li was also picked up in October last year for questioning and was badly beaten.

Under Chinese law, the police can sentence a person to between six months and three years re-education without a formal trial.

Journal Critical of Deng's Reform Reported To Close

HK1710061594 Hong Kong SOUTH CHINA MORNING POST in English 17 Oct 94 p 8

[By Willy Wo-Lap Lam]

[FBIS Transcribed Text] A conservative journal that has repeatedly criticised the reforms of patriarch Deng Xiaoping will be closed down at the end of the year.

Communist party sources said yesterday that the editors of *In Search of Truth* [ZHENLI DE ZHUIQIU] had bowed to pressure from Mr Deng's personal office to terminate the magazine, which deals with theory.

But leftist, or Maoist, cadres who have faulted Mr Deng's views have continued to be promoted.

The sources said while *In Search of Truth* was theoretically published by the Chinese Academy of Social Sciences, it was the mouthpiece of a group of leftist elders and ideologues headed by former propaganda chief Deng Liqun.

In its latest issue, the journal ran several articles which said the essence of a socialist economy was state planning, which was at risk of being diluted by the market reforms of recent years.

This is despite patriarch Mr Deng's clear-cut instructions that a socialist country could use both planning and market-oriented policies.

The journal has also hinted that Mr Deng and such economic policy-makers as Vice-Premier Zhu Rongji were "Yeltsin-like figures" who, like the Russian President, could bring about the disintegration of socialism.

Informed sources said the leftists still controlled a number of publications including *Qiushi*, *Zhongliu* and *Zhendi*.

The sources said the base of operations for Mr Deng Liqun, the Contemporary Chinese History Research Institute (CCHRI), has been boosted with injections of funds from both the party and Government.

Earlier this year, the institute also benefitted from contributions from a "patriotic businessman" from Hong Kong.

Such a sound financial base has enabled Mr Deng Liqun to pay even junior cadres at least 900 yuan (HK\$809) per month, a high salary by Chinese standards.

A key leftist and protege of Mr Deng Liqun, Ma Yingbo, was promoted as an executive director of the CCHRI in the summer.

This is despite the fact that Mr Ma, an editor of *Qiushi*, had vociferously attacked patriarch Mr Deng's reforms in recent internal conferences.

It was Mr Ma who cautioned against thinking that "whatever Deng (Xiaoping) says is correct".

Moreover, ideologue Sha Jianxun, who recently lost his job as a vice-director of the Central Party History Research Centre for allegedly uttering anti-Deng remarks, had openly complained about "unfairness".

"I was made a scapegoat by power-grabbing politicians," Mr Sha reportedly said.

The veteran commissar has been able to hang on to a senior research position at Beijing University.

Aside from patriarch Mr Deng's personal office, party elder Bo Yibo has slammed the Maoist for discrediting the Chief Architect of Reform.

State To Control Newspaper Publication Violations

OW1510103994 Beijing XINHUA Domestic Service in Chinese 1207 GMT 12 Oct 94

[By reporter Qu Zhihong (2575 1807 4767)]

[FBIS Translated Text] Beijing, 12 Oct (XINHUA)—In public places like the streets, stations, and squares in Beijing and many other cities, free newspaper-like publicity material, which mainly carries commodity advertisements, is distributed to passersby quite often. In fact, printing the commercial material in a newspaper format is a serious violation of the state's relevant regulations.

Persons in charge of the relevant party and government departments and the people's organizations and experts and scholars of the press circles have said clearly that in publishing newspapers, we must observe discipline and abide by the law.

Currently, there are some 2,000 newspapers published openly throughout the country. They not only provide mental motivation and intellectual support to the reform, opening up, and the construction of the two socialist civilizations, but have gradually entered the masses' lives, transmitted information, popularized knowledge, and become an indispensable part of social life. However, under a new situation of building a market economy, some newspapers fail to straighten out the relations between social and economic efficiency and fail to abide by administrative laws and regulations and rules and regulations on publishing newspapers. As a result, many violations of norms have occurred and the newspaper and journal markets are somewhat chaotic. In April and August 1994, relevant departments have conducted a survey of Beijing's newsstands twice. Some 20 kinds of newspapers in violation of laws and regulations were found in three places alone.

Analyses by relevant sources show that currently the conspicuous problems in the newspaper market are: Some newspapers fail to stick to their set aims of running a newspaper, blindly pursue the "market effect," and carry a great quantity of items on murder and pornographic cases. Some do not even hesitate to fool readers with fraudulent news items. Still other newspapers openly violate relevant rules and regulations on publishing newspapers. Some internal newspapers and journals solicit subscriptions and go on market publicly and engage in advertising and other business activities. Some newspapers print more copies of their temporary supplementary sections for sale or for free distribution. Some, as mentioned earlier, publish commercial material in a newspaper format and continue to print and distribute the material on either a regular or irregular basis.

In view of the current situation, the state's newspaper administrative departments are working on various rules and regulations to intensify management. It has been learned that since the beginning of this year, the Propaganda Department under the CPC Central Committee,

the Press and Publication Administration, the Ministry of Posts and Telecommunications, and the State Administration for Industry and Commerce have jointly and separately promulgated such regulations as the "Circular on Strengthening the Management of Internal Newspapers and Journals," the "Circular on Banning the Publishing and Distributing of Commercial Publicity Material in a Newspaper Format and Strengthening Management Over Printed Advertisement Material," and the "Circular Banning the Sale of Partial Pages of Newspapers" to further regulate relevant issues in publishing newspapers. A relevant person in charge of the Press and Publication Administration's Newspapers Administrative Department said that in a situation of market mechanisms, it is necessary to standardize and legalize the publication of newspapers and our administrative work, so that the newspaper and journal markets will boom but not boom chaotically.

Overseas Taiwan, Hong Kong Propaganda To Increase

HK1810105194 Hong Kong HONGKONG STANDARD in English 18 Oct 94 p 6

[By Pamela Pun]

[FBIS Transcribed Text] China is to step up its overseas propaganda campaign against Taiwan and Hong Kong to counter a growing independence movement on the island and the Sino-British row over Governor Chris Patten's democratic reforms.

A national conference on overseas broadcasting will be held in Beijing from Friday to work out a new, high-tech plan of attack. Chinese sources said the meeting—the first of its kind—will concentrate on improving and updating China's current overseas propaganda policies towards Taiwan and Hong Kong.

The meeting will also look into the use of high-tech equipment to upgrade China's ability to broadcast propaganda by radio and television. Communist Party propaganda chief and politburo member Ding Guangen will chair the 10-day meeting, to be attended by party propagandists in charge of overseas affairs and television and radio broadcasters.

The conference is believed to be the first one on propaganda matters since the Communists seized power in 1949—decades before the advent of commercial radio, television, and now cable TV meant people can get instant information from a multitude of sources. The meeting will discuss the use of updated technology to improve China's international broadcasting techniques. It will also formulate concrete measures to strengthen Beijing's television and radio transmissions to Taiwan and Hong Kong.

Party sources said the leadership was particularly concerned about increasing pro-independence sentiments in Taiwan and called for a stepped-up propaganda campaign through TV and radio broadcasting. With the

approach of the change of sovereignty in Hong Kong, the leadership also urged the improvement of propaganda to the territory.

To upgrade its propaganda campaign, China's leading television broadcaster, China Central Television, recently produced a fourth set of programs to be channelled towards overseas markets. Earlier this month, a cabinet-level senior Chinese official criticised global media and information systems which were monopolised by "the Western countries."

With Taiwan's pursuit of international recognition in full drive and cross-strait relations being strained for the time being, China considered it urgently needs to upgrade its international propaganda campaign.

RENMIN RIBAO Editorial on Training Cadres

OW1710134794 Beijing XINHUA Domestic Service in Chinese 1130 GMT 17 Oct 94

[RENMIN RIBAO Editorial for 18 October: "Vigorously Training and Selecting Leading Cadres Having Both Political Integrity and Ability—Fifth Commentary on Earnestly Studying and Implementing the 'Decision' of the Fourth Plenary Session"]

[FBIS Translated Text] Beijing, 17 Oct (XINHUA)—The "Decision" of the Fourth Plenary Session of the 14th CPC Central Committee pointed out: "Training and selecting leading cadres having both political integrity and ability is a major issue of overall importance." We must understand the strategic implications of this issue for the party's future and the country's destiny.

Training and selecting leading cadres having both political integrity and ability, and doing a good job of building leading bodies at all levels in accordance with the demands of the "decision," are a "crucial job" in our party's "new great project." Concentrating on doing this job well is of both major immediate and far-reaching historical significance. We are only six years away from the turn of the century. We face an intricate and complex situation, and very formidable tasks, in attaining the established goal of "quadrupling" our 1980 gross national product; in initiating a socialist market economic system; and in bringing our country's overall economic and social development into a new stage. Leading cadres, especially those at high levels, are the decisive force in leading reform and modernization. The overall quality of leading cadres has a major bearing on upholding the party's basic line over the long term, on advancing our various undertakings, and on fostering long-term peace and stability in the country. Therefore, improving the overall quality of existing leading cadres is a major and pressing task of strategic importance facing the entire party, as is paying close attention to training and selecting outstanding and young cross-century leaders tasked with heavy responsibilities.

To improve the overall quality of leading cadres, our key leading cadres should, at the least, strive to become

knowledgeable and professionally competent experts who are equal to their tasks. Above all, they should also strive to become statesmen who are faithful to Marxism, who adhere to the path of socialism with Chinese characteristics, and who are good at running the party and country. To accomplish this, the most important thing to do is to improve their theoretical knowledge of Marxism. A firm belief comes from a firm theoretical commitment. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the Marxism of present-day China. Studying and mastering this theory holds the key to improving cadres' theoretical standards. If leading cadres, especially those at high levels, systematically and realistically study and master Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, instead of doing so on a piecemeal basis and in a superficial manner, and if they can creatively apply the theory, new avenues for various undertakings are bound to open up constantly. Leading cadres should also seriously study history, especially modern and contemporary history and the CPC's history, and derive wisdom from successful experiences and errors. This is also conducive to gaining a more thorough understanding and getting a firmer grasp of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Given the evolving situation, and the emergence of a wealth of new knowledge and technology, the situation is both gratifying and demanding. One will fall behind if one neglects efforts to acquire all kinds of new scientific, technological, and general knowledge. Leading cadres, senior leading cadres in particular, must study knowledge of the socialist market economy, and of modern management and science and technology; they must study all knowledge reflecting the latest achievements in the progress of human civilization. This is the pressing demand for performing the heavy responsibility of leading reform, opening up, and the modernization drive. Meanwhile, leading cadres at all levels must also go down to the grass roots to mingle with the masses, and to accumulate experience and undergo training in practical work. Practice has shown this is an important way to train cadres, as well as a law governing cadres' growth into usefulness; this should be continued in the future.

In training and selecting outstanding young leading cadres, we must set our eyes on the next century. This should be a major guiding principle. Under the energetic proposal and enthusiastic assistance of Comrade Deng Xiaoping and other older-generation proletarian revolutionaries, a large number of young cadres who are full of youthful spirit and in the prime of their lives have taken up leading posts at various levels in the past 16 years since reform and opening up. Practice has proved that the overwhelming majority of young cadres perform their job remarkably well. This is a major fruit of achievement of our party building, as well as an important factor contributing to the smooth progress of the cause of reform and construction. The succession of new cadres to the old is a continuous process. At present, the

structure of some leading bodies is irrational and the problem of aging among some leading members, especially ~~principal~~ leading cadres, has become pronounced. Therefore, we should continue to promote the succession of new cadres to the old so as to retain the vitality of the ranks of our cadres. We should set explicit demands for a rational age structure of leading bodies at various levels. We should do away with the outdated concepts of giving priority solely to seniority, of demanding perfection, and of giving excessive accommodation and consideration. In selecting people, we should adhere to the principles of making the ranks of cadres more revolutionary, younger in average age, better educated, and professionally more competent, and of emphasizing both political integrity and ability; and should attach importance to public opinion as well as actual performance. We believe that so long as we emancipate our minds and open all avenues for people of talent, talented people will emerge. When thousands upon thousands of outstanding young cadres are promoted to leading posts at various levels, our cause will flourish still more.

Reform of the important systems for selecting and appointing party and government cadres is a major guarantee for selecting the right people and for effectively using people. We have accumulated some experiences. Overall, however, we still cannot cope with the demand of the development of the situation; and much remains to be done. We should, in accordance with the party Central Committee's plans, actively and yet prudently organize and implement the reform so as to gradually set up a system of appointing people which is full of vigor and vitality, and which can help talented people show their ability.

Since the 14th CPC National Congress was convened, the party Central Committee has worked out plans on the issues of establishing a socialist market economic system, of arming the entire party membership with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and of fighting corruption; and it has again made the decision concerning some major issues on party building. Since the political line is already laid, cadres will play the decisive role. Party committees at all levels should, in line with the requirements of the "decision" adopted by the Fourth Plenary Session of the 14th CPC Central Committee, pay close attention to the two major tasks of enhancing the quality and training of leading cadres and of selecting outstanding young cadres, in order to provide a reliable organizational guarantee for accomplishing the magnificent goal by the end of this century and the even more magnificent goal in the next century.

Economic Changes Vary Social Structure

OW1810045494 Beijing XINHUA in English 0330
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—China's social structure has become more

sophisticated due to changes in the economic pattern over the past decade and more.

Social structure means the pattern and position of various social groups within a particular society, said Li Qiang, a professor of sociology at the People's University.

Li said that the biggest impetus to structural change has come from farmers migrating to the industrial and service sectors.

A survey conducted by professor Li shows that in 1978, 91.8 percent of China's population is agricultural, but now the figure dropped to 71.9 percent and of these only about 40 percent are engaged in agricultural jobs.

By the end of 1992, Li said, the booming township and village enterprises employed more than 100 million farmers, 40 percent of them women, who still live in the rural areas but no longer depend on the land.

Rural labors have been allowed to work in urban areas since 1985. Many young farmers took the road, dreaming of a better life in cities, particularly in prosperous coastal centers. The number may have reached 100 million, estimated the sociologist.

The migrants take up every job they can get. Some work on the assembly lines of labor-intensive toy and electrical appliance factories. Others work in construction sites, while some become housekeeper or peddlers.

Besides the farmer-workers, there have been the private enterprise owners. About 15,470 private businesses had registered in China by the end of 1992, up from 13,425 in 1986, according to Li.

But the real figure may be still bigger since many prefer to call themselves collective enterprises.

However, the number of the employees in the state-owned and collectively-owned enterprises dropped by 3.1 percent from 1978 to 1991 due to the introduction of foreign investment.

Thanks to rural reform and the steep rise in employment resulting from the market economy, the number of the rural poor has been slashed from 250 million in 1978 to 80 million in 1993.

But while living standards have risen for all, the gap between the rich and the poor is also widening, according to Li.

The rural per capita income in 1993 rose to 522 yuan from 134 yuan in 1978, while urban income jumped to 2,336 yuan from 316 yuan.

But, the professor noted that the average gap between the richest and the poorest is virtually impossible to figure out.

Xinjiang Production Corps Celebrates Anniversary

SK1710034294 Beijing XINHUA Domestic Service in Chinese 1859 GMT 10 Oct 94

[By RENMIN RIBAO reporter Zhu Qian (4376 6197), XINHUA reporter Fan Yingli (2868 5391 0448), and Central People's Broadcasting Station's reporter Wu Chaohui (0702 2600 2547); "Xinjiang Production and Construction Corps Ceremoniously Celebrates Its 40th Founding Anniversary"]

[FBIS Translated Text] Urumqi, 10 Oct (XINHUA)—On 7 October, Xinjiang Production and Construction Corps held a rally in Urumqi to ceremoniously celebrate its 40th founding anniversary. The CPC Central Committee, the State Council, and the Central Military Commission appointed Luo Gan, state Councillor and secretary general of the State Council, and some other persons accompanying him to specially go to Xinjiang to convey the congratulatory letter and to participate in the celebration activities of the corps.

At the celebration rally, Luo Gan read out the congratulatory letter of the CPC Central Committee, the State Council, and the Central Military Commission and conveyed to all workers and staff members of the corps the sincere solicitude of General Secretary Jiang Zemin, Premier Li Peng, and other central leading comrades. The congratulatory letter highly appraises the historical contributions made by Xinjiang Production and Construction Corps over the past 40 years under the leadership of the party committee and the government of Xinjiang Uygur Autonomous Region. The congratulatory letter states: As fully proven by the history in the past 40 years, organizing production and construction corps in Xinjiang is an effective form to promote the development of Xinjiang's social productive forces by making the central authorities support the localities, making inland areas support the frontiers, and making different fraternal nationalities support each other. Under the new condition of historical significance, production and construction corps still has a great immediate significance and a far-reaching historical significance in developing and exploiting the western border of China, in building Xinjiang, and in maintaining the long-term stability and order of Xinjiang.

In the early 1950's, with the purpose of restoring and developing Xinjiang's economy, maintaining Xinjiang's social stability, and consolidating the border defense of the motherland, the central authorities decided to transfer most of the People's Liberation Army [PLA] men stationed in Xinjiang to civilian work and then organize Xinjiang Production and Construction Corps to execute the historical mission of stationing troops to open up wasteland and garrisoning the frontiers, thus opening a new page in the annals of stationing troops to open up Xinjiang. Through 40 years of construction and development, Xinjiang Production and Construction Corps has become a special political, economic, military, and social organization embracing a population of 2.2

million, a large number of corps-run farms and enterprises, and a complete educational, scientific research, cultural, and medical system.

Over the past 40 years, Xinjiang Production and Construction Corps has made tremendous contributions to the economic and social development of the border. Beginning from the 1950's, workers and staff members of the corps have built water conservancy works and reclaimed wasteland to farmland to develop agricultural production. In addition, they have tightened their belts and accumulated funds to initiate industry and have initiated commerce and developed various social undertakings, thus having become a major force of Xinjiang's economic and social development. Now, 20 percent of Xinjiang's annual grain output, 24 percent of the oil-bearing seeds output, 36 percent of the cotton output, and 35 percent of the beets output are produced by the corps. The corps has also provided large quantity of livestock products and industrial products.

Reform and opening up has made Xinjiang Production and Construction Corps radiate new vitality and vigor and made various undertakings develop considerably. For the time being, industrial and agricultural production of the corps has witnessed a vigorous upward trend. According to preliminary statistics, the 1994 gross domestic product of the corps will increase by 200 percent over that in 1980, the national income will increase by 230 percent, and the average annual income of workers and staff will increase by 180 percent.

Luo Gan and his entourage paid a visit to the Zhou Enlai Museum and went deep to some plants, corps-run farms, peasant households, and residential areas to visit old workers and staff members as well as retired veteran cadres. Accompanying Luo Gan on his participation in the celebration activities of the Xinjiang Production and Construction Corps were Wang Gang, deputy director of the General Office of the CPC Central Committee; Liu Jimin, deputy secretary general of the State Council; Li Jing, deputy chief of General Staff of the General Staff Headquarters of the PLA; Jia Tingan, deputy director of the General Office of the Central Military Commission; Chen Hong, vice minister of the State Nationalities Affairs Commission; Li Yanling, vice minister of finance; Liu Chengguo, vice minister of agriculture; Bai Wenqing, vice president of the People's Bank of China; and responsible comrades of the State Planning Commission and some other departments concerned.

Commentator Urges Attention to Women's Issues

HK1810095994 Beijing RENMIN RIBAO in Chinese
11 Oct 94 p 1

[Commentator's article: "The Action Goal of Women Must Be Attained—Written on the Occasion of the Publication of 'the State Report of the People's Republic of China on the Implementation of the Nairobi Future Strategies for the Advancement of Women"]

[FBIS Translated Text] China has the largest population of any country in the world, and it is also the largest country in respect of its female population. The condition, destiny, and future of these women are closely related to the entire nation's condition, destiny, and future. Anyone who cares for China's condition, destiny, and future should show concern for and get acquainted with the condition, destiny, and future of Chinese women. Meanwhile, he should make contributions to promoting the advancement and development of women.

The full text of the "State Report of the People's Republic of China on the Implementation of the 'Nairobi Future Strategies for the Advancement of Women'" (to be referred to as the "State Report" hereafter) published by this newspaper today is a report submitted to the United Nations by the Chinese Government in March this year, which indicates China's solemn commitments to the international community with regard to its responsibility to women. It provides the most authoritative material for people to understand the condition, destiny, and future of Chinese women in a comprehensive manner.

The "State Report" covers nine chapters, which comprehensively and vividly elaborate on the work performed by China in implementing the "Nairobi strategies" and the achievements it has attained. The contents of the report include women's status and role in the nation's political life, women's status in and contributions to the nation's economic and social development, women's role in various social undertakings, the protection of women's rights and interests by the state and society, and so forth. While fully affirming the achievements made by China in enhancing women's status, the "State Report" realistically and definitely points out major problems in such areas as the realization of equality between men and women which China faces now. The "State Report" is most distinctively characterized by its terse language and factual accounts, and the considerable amount of data cited therein is derived from statistics through strictly scientific surveys. Therefore, it can be stated that the "State Report" is a window from which people can take a glance at the condition of women in China and can regard it as a guide to conducting incisive studies of women's issues in China.

It is not difficult for anyone who is unbiased to reach conclusions such as these after reading the "State report": The Chinese Government takes women's issues very seriously; the Chinese Government has adopted an extremely conscientious attitude toward the implementation of the "Nairobi Strategies"; considerable headway has been made in China's work on women's issues so that the status of women has been remarkably enhanced; there are still quite a few problems and difficulties in China's work on women's issues; and, after unflinching efforts, China will certainly achieve various targets in women's development set out in the "Nairobi Strategies" as quickly as possible.

Through extensive dissemination by the media, the "State Report," without doubt, will help the international community acquire a deeper understanding of China, and its women's issues in particular. Domestically, it is absolutely necessary for leading cadres of party and government organs at all levels to squeeze in some time to read the "State Report." These leading cadres are busy with official duties all year round, so it is difficult for them to conduct systematic and in-depth investigation and study of women issues in China. However, without a basic understanding of women's issues in the country, it is impossible to genuinely have the overall situation in view. Leading cadres who show no concern for women's issues and pay no attention to work on women do not deserve to be called leaders. In the great cause of building socialism with Chinese characteristics, the women's socialist movement with Chinese characteristics is an important component of it, and the vigorous growth of the women's socialist movement with Chinese characteristics will energetically promote the great cause of building socialism with Chinese characteristics. Only by caring for women's issues and taking work on women seriously can we perform various tasks more effectively. The "State Report" has provided an excellent teaching material for us in our efforts to understand the condition of women in China and have a good grasp of the basic principles, policies, and laws regarding work on women formulated by the party and government. Hence, serious attention should be paid to its study and application.

A conspicuous feature of the "State Report" is that in almost every chapter, that is, in every facet of work on women, goals for action by the year 2000 have been proposed, which merit people's close attention. The "goals for action by the year 2000" are the orientation of our efforts, the yardstick to judge our results, the criteria for evaluation of our work, and the clarion call to march forward. All localities throughout the country should, in light of the overall requirement for the goals of action set by the state, work out their respective "goals for action by the year 2000" in local women's work, and incorporate them into their overall planning for economic and social development. While striving to achieve the goals of reform and development during the remaining years of this century, we should not, under any circumstances, forget the goals for action in women's work!

The Fourth World Women's Conference will be held in Beijing, the capital of China, in September next year. The publication of the "State Report" will help personalities at home and abroad acquire a better understanding of the condition of women in China. It will also be instrumental in enabling leading cadres at all levels and people from various social sectors to show greater concern for and give further support to women work so that this work will be raised to a new level in China. Let us greet the convocation of the Fourth World Women's Conference with effective, practical actions!

Rural Offices Become 'Legal Service Entities'

OW1710162994 Beijing XINHUA in English 1603
GMT 17 Oct 94

[FBIS Transcribed Text] Beijing, October 17 (XINHUA)—A total of more than 107,000 lawyers are now serving as legal advisers for 320,000 rural enterprises in China, according to the Ministry of Justice.

They are mainly working in 33,000 basic-level lawyer offices. In the past four years these offices have undertaken over 860,000 civil lawsuits and 2.59 million non-accusation cases, avoiding or making up losses of 20 billion yuan (2.35 billion U.S. dollars).

An official from the ministry said that the basic-level lawyer services have become "an indispensable legal adviser for local governments, a powerful escort for rural economic development and a reliable protector for the interests of the ordinary people".

The ministry revealed that these lawyer offices are transforming themselves from governmental organs into legal service entities responsible for their own profits and losses and relying solely on self-development.

It is estimated that by the end of 1995, about 65 percent of towns or neighborhoods will have a lawyer office each.

Restrictions Announced on Use of Government Cars

OW1610080194 Beijing XINHUA in English 0323
GMT 16 Oct 94

[FBIS Transcribed Text] Beijing, October 16 (XINHUA)—China's high-ranking officials should use government cars made in China, according to regulation made public here today.

The regulation, issued by the General Offices of the Chinese Communist Party Central Committee and the State Council, stipulates that such deluxe imported sedan cars as Mercedes-Benz, Lincoln and Cadillac shall be replaced by Chinese-made cars.

Every minister and provincial governor or officials of the same level shall be granted a government car. The official use of government cars by vice-ministers or vice-governors shall be guaranteed although they don't have special government cars.

According to the regulation, ministers or governors can use government cars with an exhaust volume of three litres or below, while vice-ministers or vice-governors can use cars with an exhaust volume below 2.5 litres. The cars exceeding these standards shall be replaced.

The regulation reaffirms that no locality and department is permitted to provide government cars for their leaders that break the restrictions and to import or buy cars in violation of government regulations.

Rural Medical Care System Said Improving

OW1810043594 Beijing XINHUA in English 0316
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—Almost all Chinese farmers now have easy access to convenient and low-cost medical treatment since the country launched a nationwide three-tier network of medical care in the late 1970s in response to a call by the World Health Organization.

The three-tier network refers to medical health institutions at county, township and village levels.

Statistics from the Ministry of Public Health showed that 70 percent of villagers can have their minor illnesses treated at village clinics, 20 percent at township health centers and five percent in county hospitals.

Macheng in central China's Hubei Province, designated as one of the pilot counties in improving medical care by the Ministry of Public Health in 1987, was among the first to meet the state requirements on rural health care.

Since 1987, the Macheng Government has allocated 1.7 million yuan (200,000 U.S. dollars) to build and renovate township hospitals and clinics.

So far, the county's incidence of infectious diseases declined from 320 per 100,000 persons in 1986 to 190 per 100,000 by 1992. Some serious contagious illnesses such as plague, cholera and malaria have been eradicated.

Thanks to a children's vaccination program, whooping cough, diphtheria, polio and other childhood illnesses have either been reduced or wiped out.

The Chinese Government adopted a two-step approach to attain the goal of health for all by 2000. Under the plan, 50 percent of all counties are to attain the standards by the end of 1995 and the remaining 50 percent, by 2000.

The process consists of three stages. The initial stage, 1989-91, focused on program design and pilot projects. The current stage, 1992-95, is one of full-scale implementation. The final stage, 1996-2000, is a period of rapid development and full accomplishment of the goals.

About half of the country's more than 2,000 counties are expected to meet state requirements for health and medical conditions by the end of 1995.

State To Launch Campaign To Stamp Out Polio

OW1810035894 Beijing XINHUA in English 0150
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—The state plans to start a nationwide immunization campaign in December and January in an effort to wipe out polio by the end of 1995.

According to the Ministry of Public Health, the government committed itself in 1991 to eradicating polio across China in response to a call from the United Nations.

Thanks to the campaign last winter when 60 million children under the age of four took the pills against polio, only 162 polio cases were reported this year in 113 counties in 19 provinces and autonomous regions, mostly in southern regions like Guangxi and Sichuan.

Marked progress has been made in combating polio through an expanded immunization program over the past three decades, said Zhou Jun, an official from the Diseases Control Division of the Ministry of Public Health.

Polio is an acute infectious disease common with children. It can lead to deformed limbs and could be fatal in serious cases.

The number of polio cases has dropped from more than 43,000 per year in the 1960s to just about 1,000 last year.

Police Arrest 185,000 Criminals in Two Months

HK1810105494 Beijing CHINA DAILY in English 17 Oct 94 p 3

[By Ma Chenguang]

[FBIS Transcribed Text] Police have caught over 185,000 criminals since a crackdown on crime was launched two months ago.

Some 81,275 lawbreakers have been busted and 78,000 criminal cases uncovered, Deputy Minister of Public Security Bai Jingfu told a law and order conference on Saturday.

Among the gangs were some local despots, bandits, and feuding clans who were feared and hated by local people, especially rural dwellers, Bai told the opening of the three-day National Conference on the Stricter Crackdown on Hardcore Crimes.

He said the figures represented the "initial success" of the campaign, which aims to crush lawbreakers throughout the country, especially in rural areas.

When the crackdown started last July, local police bureaux were asked to draw up plans to combat robbery, rape, pornography, trafficking of cultural relics, and sabotaging of railways and power lines.

Among the gangs uncovered was the 110-strong clan headed by Li Faquan in central China's Hubei Province, Bai said.

Since 1988, the ring has been involved in hundreds of robbery, murder, drug-trafficking, prostitution, feuding, and gambling cases, leaving two innocent victims dead and nearly 50 others injured.

Qian Wenli, another swindler from Xiayi County in Hebei Province, who had committed crimes in his village for over 10 years was captured.

Qian, who relied on his mother's power as a party secretary of the grass-roots committee, forcibly raped a village girl for five years.

"The seizure of all these clans has been welcomed by the masses, especially rural farmers," the vice-minister said.

He said that this reflected how timely the severe crackdown has been and that it meets the wishes of the people.

Bai said that other successes in the fight against crime included:

—A 32.9 percent drop in crime since July to August last year when a thorough check on 45,000 disorderly places and railway spots was carried out;

—Closure of hundreds of sex trade and gambling spots.

In Shanghai, over 300 sex trade entertainment centres were shut down.

The vice-minister said that the determination of senior leaders and the publicity of the crackdown by law enforcement organs seemed to be working.

But he said that the campaign was far from complete.

Major cases still need to be uncovered and a number of prisoners and gangsters were still on the run.

He called on police to keep up their good work.

"We are expecting even greater successes by the end of the year," he said.

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14 Oct 94 p 6

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Science & Technology

Satellite-Based Phone Network Planned For '98

HK1810105594 Beijing CHINA DAILY in English 17 Oct 94 p 5

[By Xiao Shao: "66-Satellite Iridium Network Phone Users' Dream Come True"]

[FBIS Transcribed Text] People dream of the day when they can use their pocket telephones to call any other phone in the world.

The dream will come true starting in 1998, although much research and other work remains to be done, officials of Iridium Inc said last month in Beijing.

The company unveiled a plan for a satellite-based, wireless personal communications network designed to permit any type of telephone transmission, including voice, data, fax, and paging, to reach its destination anywhere on earth at any time.

The network will comprise a constellation of 66 satellites in low earth orbit, about 420 nautical miles above the earth's surface.

"The Chinese Government has recognized the tremendous potential of the Iridium System by investing \$70 million through China Great Wall Industrial Corp," said Mark Gercenstein, a senior official with Iridium Inc.

"China Great Wall Industrial Corp will participate not only as an investor, but also as an industrial supplier."

China Great Wall won a contract to launch 22 Iridium satellites on 11 Long-March IIC/SD rockets.

Each Long-March is to put two Iridium satellites into orbit. These launches will take place at the Taiyuan launch site in Shanxi Province.

The remaining satellites will be launched by McDonnell Douglas Corp of the U.S. and the Khrunichev State Research and Production Space Centre of the Russian Federation.

The three rocket manufacturers will loft the unprecedented 66 satellites during a two-year period starting in 1996.

The Iridium System is expected to start operating in 1998. Motorola Inc is the prime contractor.

Compared to geostationary communication satellites 22,300 nautical miles above the earth, the low orbit of the satellites will allow more tightly focused beams to be projected on the ground, ensuring strong signals and communication quality.

Echo will be minimized by the satellites' low orbit and the receiving antenna can be small enough to be carried on a hand-held subscriber unit.

Since it's a global network, the services within various countries will be provided through telecommunications authorities and service providers, the Iridium official said.

For China's telecommunications network planners, the Iridium System could serve as a valuable interim tool, filling the gaps in services.

Through Iridium, China is on the cutting edge of telecommunications technology. The Iridium System can help China to leapfrog technologically into the 21st century by providing communications to anyone, anywhere, anytime, the company official said.

China Offers To Share Remote Sensing Technology

HK1810105694 Beijing CHINA DAILY in English 17 Oct 94 p 5

[By Shao Ning: "Remote Sensing, Bright Blueprint"]

[FBIS Transcribed Text] Chinese scientists have made important advances in remote sensing applications and today they are working hard to share their achievements with other countries.

Nearly 10,000 scientists and technicians at 460 centres are directly engaged in applications research, experiments, and production for remote sensing satellites, said Chen Shupeng, a member of the Chinese Academy of Sciences.

There are more than 100 systems for remote sensing image processing in China. And up to 20 provinces have established provincial centres for remote sensing applications.

The central and provincial governments and research institutes have invested a total of more than 2.1 billion yuan (\$240 million) in this field.

Remote sensing has proved to be a vital tool in monitoring and managing various natural resources and has been particularly useful in environmental monitoring and disaster control.

It has also become part of the developmental planning process in China and other Asia-Pacific countries.

Remote sensing has been invaluable in promoting groundwater use, wasteland reclamation, afforestation, agricultural planning, urban development, fisheries, and aquaculture.

"The Asia-Pacific region occupies 27 percent of the total geographical area of the Earth and accounts for 58 percent of the global population," said Chen, who attended the Ministerial Conference on Space Applications for Sustainable Development last month.

"Rapidly increasing population and consequent growing demands for food, drinking water, energy, and health services, along with an accelerated pace of economic development, adversely affect the ecology and environment of the region.

"Any further attempts to achieve sustainable development and growth should take into account critical parameters related to the climate, environment and ecology of this region.

"So we need firm cooperation within this region to monitor and manage the natural resources by using applied space technology, including remote sensing."

Many countries in the Asia-Pacific region have set up remote sensing ground stations to receive information from satellites.

"This region has the densest distribution of remote sensing satellite ground stations—more than 15 stations—while there are five in North America, two in South America and one in Australia," Chen said.

"There is considerable overlapping coverage and leasing and maintenance expenses are substantial."

International cooperation and coordination are needed to win preferential treatment for the countries that own the remote sensing satellites and to solve the problem of competitive pricing, he said.

China put its first satellite remote sensing ground station into operation five years ago. Since then, stations across the country have provided images to domestic and overseas customers.

Because the images, which are important for state planning, have been mostly required by nonprofit departments and agencies in China, governments have subsidized more than two-thirds of the fees for the images.

The state, in return, has benefited from the remote sensing technology. For instance, the cost of geological mapping using remote sensing information is only one-third of that using conventional methods and production time is cut in half.

Similarly, remote sensing information can cut the cost of resource exploration and environmental monitoring by half or more.

"We are ready to share the fruits of our space technologies with other Asia-Pacific counties," Chen said.

China has designed and developed its own meteorological satellites and image-receiving management system. The country also receives information from meteorological satellites launched by other countries and participates in international cooperative activities.

China has also achieved great success in aircraft and microwave remote sensing, said Professor Jiang Jingshan, director of the Centre for Space Science and Applied Research, under the Chinese Academy of Sciences.

China began environment and disaster monitoring in 1985, using microwave radar in aircraft and satellites.

Scientists first experimented with the technique in Dongting Lake and since then it has been widely used to monitor floods and forest fires.

When floods hit China in 1991, scientists and technicians were able to show images of the situation in Beijing with only four hours' delay, by using remote sensing equipment in aircraft.

An all-weather real-time remote sensing system using aircraft, satellites, and ground stations now covers the whole country, Jiang said.

Chinese scientists have also set up a chain of ground observation posts from Muohe in northeast China's Heilongjiang Province to Hainan Island in the south, with an additional post at the South Pole.

Remote sensing techniques have also been used in research and exploration of seas and oceans.

"Many remote sensing devices, such as the scatterometer are very useful in ocean research," said Professor Zheng Binqiang, a researcher at the Centre for Space Science and Applied Research. "Nearly three-fourths of the Earth is covered by water and discovering underwater resources is of great significance to humankind," Zheng said.

"China has large areas covered by water and remote sensing techniques can help us to find out the situation

and resources of these areas. Using space technology can save lots of manpower and material resources."

In the 37 years since the first artificial satellite was launched, space technology has developed rapidly, providing powerful tools for space science research.

The goal of such research is clear, said Jiang: "To improve the human condition, to expand the scope of activities in space, and to explore the unknown."

Military

Zhejiang Holds Meeting on Conscription

OW1710132494 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 10 Oct 94

[From the "Provincial News Hookup" program]

[FBIS Translated Text] The Zhejiang Provincial Government and Military District held a provincial telephone conference this afternoon to plan for conscript work for this winter and next spring as well as resettlement of demobilized servicemen. Liu Xirong, vice governor and member of the standing committee of the provincial party committee, and (Wang Changgui), deputy political commissar of the provincial military district, spoke separately.

The meeting pointed out that governments at all levels and military service organs in the entire province must solidly establish the thought of serving army building. They must fully understand the importance of doing a good job in conscription and troop resettlement from the high strategic plain of consolidating national defense, ensuring national security, safeguarding social stability, and promoting reform and opening up. In addition, they must continue to enhance their sense of responsibility and consciousness in serving army building and providing outstanding soldiers to the army. All localities must center their tasks closely on ensuring the quality of new soldiers, strictly enforcing various policies and stipulations, and upholding the policy of recruiting soldiers with excellent moral character. They should firmly establish the sense of recruiting new, quality soldiers and send Zhejiang's best young people to the army.

The meeting stressed that the expanding socialist market economy and increasing people's living standards have provided the material base for this winter's conscription work. Patriotism education, currently undertaken throughout the country, has also created a good social environment for conscription work. However, it should be noted that Zhejiang is also facing many new situations and problems in this winter's conscription work—severe disasters hitting some localities, large groups of single people exceeding conscription age, and increasing numbers of young people leaving the province. These problems have made conscription work difficult. Party committees and governments at all levels and military subdistricts must give importance to conscription work

in their daily work schedules. They should share responsibilities for effective implementation of the task. It is necessary to mobilize and depend on the entire social forces to conduct publicity and education in conscription. In addition, we should vigorously publicize the deeds of advanced models to bring about a social opinion that conscription and military service in accordance to the law is a responsible and honorable thing to do. We must create a good social environment for conscription work and support the smooth progress in the work with the law.

The meeting pointed out that in the course of changing from the old to new system, governments at all levels and all concerned departments, particularly grass-roots units, must promote conscription work and support army building as well as truly convey the party's and government's concern to every serviceman and his family as specified by the state and party committee.

PLA Logistics Department Rationalizes Supply

HK1810100394 Beijing ZHONGGUO XINWEN SHE
in English 0405 GMT 15 Oct 94

[FBIS Transcribed Text] Beijing, October 15 (CNS)—Sources from the Logistics Department of the People's Liberation Army (PLA) say that the 256 types of military supplies originally supplied through state plan have now been reduced to 71 and in fact, only 27 of which are guaranteed. All the rest are made up by purchasing at markets. It can be said with certainty that a new system of the Army's logistic support being provided by the society has begun to take shape.

In order to fit themselves to the new socialist market economy, the army, navy and air force's logistics are supplied in an integrated way instead of separately in the past. Now a new practice of getting supplies directly from society has been underway. It will enable the PLA's logistics to rapidly get rid of the fetters of the traditional planned economy. Acting in accordance with inherent law of the financial market, the PLA has introduced the sense of finance into the barracks first and then set up accounting centers for funds-raising in the Army in collaboration with local banks. During the past few years, the PLA has altogether attained more than one billion renminbi to backup its supplies. These centers act like a "financial reservoir" and the money shortage problem facing the Army has been lessened. To suit the new changes in the material market, a number of coordination and supply centers for military materials have been set up. By means of purchasing and supplying materials to one another under a unified plan, fixing supply venues and so on, these centers have managed annually to collect materials worth RMB [renminbi] 2 billion as a result some RMB 100 million has been saved. Materials which can be used both militarily and civilly now are stocked by the society instead of by the Army itself. This trial practice of "material supply without warehouse" is beginning to pay off. Another important

measure is to offer tenders publicly for military necessities. The PLA has made remarkable economic results by getting the best buy through this practice in society. This is well demonstrated in military transportation. With the support of civilians, the Army has by and large set up a network for its logistics supply.

Popular Books Among Servicemen Announced

OW1710140694 Beijing XINHUA Domestic Service in Chinese 1019 GMT 11 Oct 94

[By reporter Huang Qiusheng (7806 4428 3932)]

[FBIS Translated Text] Beijing, 11 Oct (XINHUA)—The results of the third all-army selection of military-edition books popular among modern servicemen was announced in Beijing today. Forty five types of books published by the army's 13 publishing houses, including *A Generation of Army Generals*, *A Moment Within the Red Wall*, *The Theory of Strategy*, and *High Technology and Modern Military Affairs* separately won first, second, and third prizes.

This military-edition books selection was held by JIEFANGJUN BAO to introduce good books to the army, guide army officers and men in healthy reading, and promote better development for military publications.

Leading comrades of the People's Liberation Army's General Political Department, the Propaganda Department of the CPC Central Committee, and the PRC Press and Publications Administration attended the prize presentation ceremony and spoke. They encouraged military publishing circles to earnestly implement Comrade Jiang Zemin's directives of "arming the people with scientific theories, leading the people with correct opinions, molding the people with noble spirit, and encouraging the people with excellent works" so as to provide more and better nourishment for the minds for army officers and men and the broad masses.

Economic & Agricultural

Zhu Targets Nonbanking Financial Institutions

HK1810104794 Hong Kong HONGKONG STANDARD
in English 18 Oct 94 p 1

[By Cary Huang, China editor]

[FBIS Transcribed Text] China's economic tsar Zhu Rongji has targeted nonbanking financial institutions in a renewed effort to rein in resurgent oversized investment and soaring inflation. Admitting failure of his 15-month economic reform program, the executive vice-premier recently blamed nonbanking institutions for the current disorder in the country's financial sector.

In July last year, Mr Zhu initiated tough austerity measures against state banks to bring the economy under

control. Quoting estimated statistics, Mr Zhu, also governor of China's Central Bank, said the government had called in about 100 billion yuan (HK\$90.9 billion) in unauthorised and improper loans by state banks in the past few months but a similar amount of loans were channelled to speculative activities and unapproved projects by nonbanking financial institutions.

"It will be another wave of tightening credit and monetary supply and a repetition of last year's financial rectification campaign despite the shifting of the target," a Chinese economist said.

In a recent national conference of bankers, Mr Zhu ordered the reimposition of tough measures to restore fiscal order following resurgent economic overheating and runaway inflation. Mr Zhu told banking officials across the country that although the austerity program had succeeded in stopping state banks from funding speculative activities, it failed to stop illegal and improper loans through other channels.

Chinese sources yesterday quoted Mr Zhu as saying stockbrokers, investment and trust companies, and property developers had played a crucial role in illegally channelling state funds for speculation.

Condemning the nonbanking financial sector for the current surge in investment and China's hyperinflation, Mr Zhu called for the reintroduction of last year's tough measures and ordered firm action to be taken against those institutions and officials responsible.

The 16-point plan in place since July last year was aimed at putting an end to dubious fundraising schemes and to enforce compulsory repayment of borrowed funds by nonfinancial institutions to state banks. As a result, all banks were given orders to track down loans illegally or improperly lent to nonofficial financial institutions as well as companies engaged in speculative activities in the real estate and stock markets.

Other measures included cutting down the monetary supply, increasing interest rates, controlling "property fever" in development zones, shrinking the size of some projects, stepping up controls on the way loans are approved, and containing inflation to within 10 per cent.

Columnist Sees Zhu Rongji's Powers 'Diluted'

HK1810082394 Hong Kong SOUTH CHINA MORNING POST in English 18 Oct 94 pp 1, 10

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] The powers of Chinese Executive Vice-Premier Zhu Rongji are gradually being diluted as central planning-oriented cadres assume heavier responsibilities for the economy. Economists in Beijing said several heavyweight politicians with connections to the conservative wing of the Communist Party had been given or promised economic portfolios.

Wei Liqun, secretary-general of the State Planning Commission (SPC), has been appointed vice-director of the general office of the party Central Committee's leading group on finance and economics. The group, headed by President Jiang Zemin, is the nation's highest authority on economic policy.

The economists said the elevation of Mr Wei reflected the "return of the influence of the SPC", a bastion of state planners. Rumoured to be on the point of being dissolved in the early 1990s, the SPC has played a dominant role in recent policies such as the restoration of price control.

Moreover, party sources said the possibilities of former Shanghai party secretary Wu Bangguo being appointed next March as a vice-premier in charge of industry and economic development had increased. Originally thought to be a candidate for the Head of the Organisation Department, Mr Wu would, according to the sources, probably be given an economic portfolio with specific responsibility for Shanghai, Pudong and the Yangtze River Delta.

Executive vice-chief of organisation, Zhao Zongnai, has been mentioned as a front-runner to succeed the incumbent chief of organisation, Lu Feng, who is slated for retirement soon. Mr Wu and the vice-premier designate for agriculture, Shandong party secretary Jiang Chyun, are considered proteges of President Jiang and conservative party elders such as Chen Yun.

Political analysts said Mr Jiang and Mr Wu would chip away at the near-monopoly over economic-policy enjoyed by Mr Zhu until recently. For example, much of the Executive Vice-Premier's powers over agrarian matters would be taken by Mr Jiang. This is despite the fact Mr Zhu would probably remain head of the party Central Committee's leading group on agriculture.

Two incumbent vice-premiers, Zou Jiahua and Li Lanqing, also have responsibilities for economic matters. The powers of Mr Zou, a relative conservative who is in charge of planning, are believed to have increased.

Mr Zhu has recently met frustration over efforts to restructure state enterprises, at least 47 percent of which were losing money. His proposals to declare the "dinosaurs" bankrupt have been postponed due to fears that large-scale bankruptcies will precipitate social instability.

In the past weeks, policy over state enterprises has been dominated by Premier Li Peng, who had in late 1992 yielded his economic decision-making powers to In recent trips to Liaoning and Hebei Provinces Mr Li underscored the primacy of funnelling support to ailing state firms.

Meanwhile, Mr Zhu who is also Governor of the People's Bank of China, has also come under intense pressure. Liberal economists have teamed up with regional cadres

in arguing that it is time that the central Government loosened its macro-economic control measures.

Li Lanqing Views Cotton Purchasing

OW1510122994 Beijing XINHUA Domestic Service in Chinese 1233 GMT 12 Oct 94

[By reporter He Jingsong (6320 0513 2646)]

[FBIS Translated Text] Beijing, 12 Oct (XINHUA)—Speaking at a national teleconference on cotton purchasing on 11 October, Vice Premier Li Lanqing pointed out that governments at all levels must have powerful, firm measures for controlling the cotton market so that all cotton purchasing assignments can be fulfilled and the state is in control of cotton resources.

State Councillor Chen Junsheng, and Luo Gan, state councillor and State Council secretary general, were present at the teleconference.

It has been reported that, because local authorities have acted firmly in carrying out the State Council's instructions that supply and marketing cooperatives are to take collective charge of cotton purchasing and trade this year and that all non-cotton businesses must be screened, the order of cotton purchasing has been basically stable, the purchasing progress is quite fast, and the quality of cotton is generally good. By 5 October, the state had purchased 17.65 million dan [one dan equals 50 kg] of cotton, including 5.78 million dan in Xinjiang, 4.37 million dan in Jiangsu, and 2.68 million dan in Hubei. The amount of cotton purchased in these areas has accounted for 74 percent of the total amount of cotton purchased nationwide. Although Gansu Province's cotton output is quite moderate, it has already purchased 250,000 dan of cotton, thanks to the province's attention to the purchasing assignment. While the cotton purchasing project has had a good start in the country, the progress is uneven. Purchasing in Hebei, Shandong, and Henan has been slow.

Li Lanqing stressed at the teleconference that cotton purchasing would reach a climax in October and all localities must follow through with all state policies governing cotton purchasing, never change the policies, never waver mentally, and never slacken market controls. He urged governments at all levels to make meticulous efforts in organizing and controlling cotton purchasing so that this year's cotton purchasing assignments can all be fulfilled. To this end, Vice Premier Li Lanqing set forth the following requirements:

—Reach a common understanding and seek unity of action through making continual efforts to publicize and follow through with the national cotton conference and the State Council's "Notice Concerning Accomplishing Cotton Purchasing and Marketing Assignments in 1994." All regions and departments must maintain unity with the central authorities in thought and action, and must never come up with any policy incompatible with the guidelines laid down by

the State Council. The stability of cotton distribution cannot be maintained unless all government orders are carried out throughout the country. Anyone who violates relevant State Council regulations must be immediately corrected, or else he will be disciplined and the responsibilities of relevant leading authorities will be investigated.

—The State Council's price policy must be strictly executed. No departments may come up with new prices under any name, nor pay additional prices. To maintain normal order in cotton purchasing, all local authorities must seriously check how the pricing policy for cotton purchasing has been executed, and firmly correct all acts of relaxing controls over cotton grades, prices, and qualities.

—Controls over the cotton market must continue to be tightened. Illegal cotton purchasing and processing are strictly prohibited, and cotton speculation must be terminated. For those who illegally purchase, process, and trade cotton, the cotton which they use for speculative purposes should be confiscated, and fines commensurate with such activities should be imposed on them; and those who have violated the law must be punished according to the law. The supervision over neighboring areas' cotton purchasing must be tightened so that any likely "cotton war" will be prevented in advance.

—Units which have set examples in strictly controlling the market and firmly executing policies should be commended, and cases of lawlessness must be strictly dealt with. All provinces must tighten their supervision over the key regions, always keep abreast of the situation regarding purchasing and market control, and make sure that a unit bears responsibility if it tolerates the mistakes committed by a lower unit. The State Council's policies must be carried out.

—Provinces which have been slow in purchasing cotton must take powerful measures to speed up the purchasing process. Authorities at all levels must take charge of educating and mobilizing the farmers. Farmers who are active in selling cotton should be commended, and their examples should be used to encourage other cotton farmers to sell their cotton.

—Supply and marketing cooperatives must tighten their internal management and follow through with good work in purchasing cotton. Supply and marketing cooperatives must earnestly execute all policies and standards which the state set for cotton, provide good purchasing services, and make sure that standards set for cotton purchasing, processing, and allotment are met.

—The money needed for purchasing cotton must be available. Banks, financial institutions, and cotton purchasing departments must make concerted efforts and discharge their responsibilities to make sure that the money needed for purchasing cotton is available.

and that farmers will not receive any "IOU's" in lieu of cash. Agricultural banks must make greater efforts in delivering the cash and appropriate in advance the money needed for purchasing cotton. Subsidies for cotton purchasing should be allotted according to the progress in cotton purchasing. Purchasing businesses must make firm efforts to recall their outstanding funds and make sure that all the cash recalled is used for purchasing cotton. Railway and highway transportation departments must coordinate their operations with the cotton purchasing and not provide any transportation services for cotton allotted by units other than supply and marketing cooperatives. Likewise, banks should not extend loans to any units not authorized to purchase cotton.

In conclusion, Li Lanqing also set forth requirements for the markets of chemical fertilizer, grain, and other commodities. He said: Governments at all levels must have powerful measures for controlling chemical fertilizer prices within the state-set scope. All local authorities should watch the market trend closely and continue to do a good job in holding down grain prices and stabilizing the grain and cooking oil markets.

Conference Urges Efforts To Eliminate Poverty

All Areas To Play 'Active' Role

OW1710144094 Beijing XINHUA in English 1420
GMT 17 Oct 94

[FBIS Transcribed Text] Nanjing, October 17 (XINHUA)—All social sectors and all areas in China should play active parts in helping the poor in the country's old revolutionary base areas to shake off poverty.

This was an immense task put forward at a national conference held by the China Society for Promoting Construction of Old Revolutionary Base Areas, which has just closed in Nanjing, capital of eastern China's Jiangsu Province.

China has 1,009 counties which served as revolutionary base areas before the national liberation in 1949. They made great contributions for China during the War of Resistance Against Japanese Aggression in the 1937-1945 period and again in the War of Liberation in the 1945-1949 period. These counties are scattered in China's 25 provinces and autonomous regions and cover a total population of 210 million.

The majority of people living in these areas have had a much better life since the founding of New China. However, there are 35 million people in these counties who are earning an average of 300 yuan a year as a result of rough lands, natural disaster and other reasons. The figure makes up 40 percent of the poverty-stricken population in China.

The China Society for the Promoting Construction in the Old Revolutionary Base Areas, a non-governmental

organization, made a great lot in this regard over the past few years. However, there is far from satisfied.

Yang Chengwu, head of the society, called on the society members to make first-hand investigations so as to help local governments work out concrete measures to eliminate poverty in these areas.

University professors and technicians in the country are urged to hold various kinds of training courses and help local farmers learn from modern agro-technique.

Retired army generals are encouraged to use their influence to introduce investment, technology and talented people from other part of China or open township enterprises.

Women organizations, medical teams and educational departments should also be mobilized to render efficient service for people in these areas.

Hao Jianxi on Poverty Eradication

OW1710123294 Beijing XINHUA in English 1224
GMT 17 Oct 94

[FBIS Transcribed Text] Manila, October 17 (XINHUA)—China will continue to give top priority to poverty alleviation in all social development work and do its best to eradicate poverty by the turn of the century, a senior Chinese official said here today.

This statement was made by Hao Jianxiu, head of the Chinese delegation to the ongoing Asian and Pacific ministerial conference in preparation for the world summit for social development to be held in Copenhagen, Denmark, in March 1995.

Hao, vice-minister of China's State Planning Commission, said the Chinese Government will strive to match the basic needs of the 80 million poverty-stricken people with respect to their clothing, food and shelter, among others, before the year 2000. Poor people account for 6.7 percent of China's total population.

To fulfill the major tasks of social development, she said, the Chinese government is drawing up an "outline for social development in China" at the crossing of the two centuries.

The outline will set the objectives, tasks and strategies of social development in the coming 10 to 15 years in China and propose feasible policies and measures, she said.

Hao said the Chinese Government supports the holding of United Nations-sanctioned world summit for social development which will focus on three major issues—poverty alleviation, expansion of employment and social integration.

Speaking of social development, Hao stressed that the sustainable economic development is the very core of the enabling context of social development on the premise of the harmony of the society being secured.

"The sustainable economic development provides the essential condition and basis for the social development," she added.

In regard to the social development for the Asia-Pacific region, Hao said the first and foremost task is to alleviate poverty. UN Statistics showed two-thirds of the over 1 billion poor people in the world are living in Asia.

Hao said great attention also must be given to the issue of huge and rapidly-increasing population which she said has been always a heavy burden on economic and social development in this region.

Meanwhile, she said the comprehensive social progress and coordinated social development can only be achieved by both stressing the prior development issues and paying attention to other related issues such as social stability and better education.

She also called for international organizations and developed countries to assist the developing countries in the region with more funds, technology as well as information.

Statistics Bureau Issues Report on First 9 Months

OW1810085994 Beijing XINHUA in English 0850
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—In the first nine months of this year, China's urban residents enjoyed a per capita average income of 2,268 yuan, an increase of 6.8 percent in real terms over the same period of last year, while farmers' average per capita cash income reached 840 yuan, an increase of 10 percent, according to Qiu Xiaohua, spokesman for the State Statistics Bureau.

Qiu said that in the first three quarters of this year, the bank deposits of urban and rural residents increased by 448.3 billion yuan, representing an growth of 216.3 billion yuan compared with the same period of last year.

The most prominent economic problem existing in the first three quarters was price hiking. During the period residents' consuming price increased by 23.3 percent over the same period of last year, while the retailing price rose by 20.9 percent, according to Qiu.

He said that in the first nine months China's gross domestic product reached 2,607.5 billion yuan, an increase of 11.4 percent in real terms over the same period of last year. The industrial added value at and above township level finished 1,155.8 billion yuan, an increase of 16.6 percent over the same period of last year. This year, he said, will see a good harvest in agriculture, with the outputs of cotton, oil, meat, vegetables, aquatics products and other major farm products maintaining steady increases.

Qiu said that in the first nine months the state finished an investment of 586 billion yuan in fixed assets, up 43.9 percent from the same period of last year, which is 22.5

percentage points less than the growth rate of the same period of last year, and the investment structure has been improved to some extent.

Since the beginning of this year the financial, taxation and monetary reforms have been going smoothly, and the state's financial income enjoyed fairly fast increases. The function of the central bank has been reinforced, and the newly-organized state's long-term development bank, import and export bank, agricultural development bank and other policy-oriented banks have all gone into operation, and the transition of specialized banks to commercial banks have made new progress, he said.

Qiu said that the successful unification of two-tier foreign exchange has promoted the steady and rapid increase of export. In the first nine months the total export volume reached 79.44 billion U.S. dollars, up 29.7 percent from the same period of last year, and the income volume reached 78.06 billion U.S. dollars, up 15.2 percent.

Foreign investment has been constantly increasing, he said, adding that in the first eight months the direct investment from foreign businesses reached 20.05 billion U.S. dollars, up 55 percent from the same period of last year.

'Experts' View Prospects for Economy in 1994

HK1810100294 Beijing ZHONGGUO XINWEN SHE
in English 0404 GMT 15 Oct 94

[FBIS Transcribed Text] Beijing, October 15 (CNS)—Response to the questionnaires on China's economic operations this year issued to economic experts jointly by the Research Office under the State Council, the Macro Control and System Reform Department of the State Commission for Restructuring the Economy and the journal known as The World of Administration shows that experts are satisfied with this year's macro economic operations and have confidence in macro-control measures.

Of 150 questionnaires issued, 86 were returned. The 86 respondents come from various ministries and commissions of the central government, provincial governments as well as the People's Bank of China and the State Statistical Bureau.

These experts highly appraise economic operation and the macro-control measures in the former half of this year, believing that China has achieved remarkable results in promoting healthy development of economy. Overheated economy gradually has cooled down and economic growth rate is approaching reasonable level. Situation of consumer market, public finance, export and import trade is turning for the better. However, there still exist some problems, such as "bottleneck" in transport, energy and raw materials supply, grim inflation, loss-making state-owned enterprises and oversize fixed assets investment.

40.5 percent of the experts hold that this year's economy is still quite heated while 37.2 percent of experts think it is normal, 8.1 percent hold economy is overheated while 1 percent say it is too cool.

Experts believe that most serious problems existed in current economic operations are high inflation, loss-making state-owned enterprises and oversize fixed assets investment, which rank them the top three among the list of problems.

Experts forecast that the whole year's economy would maintain its high-speed growth. Nearly 60 percent of them believe that growth rate of the Gross National Product would be around 10 percent to 12 percent. Over half of them believe industrial growth would be around 15 percent to 18 percent. As for growth of fixed assets investment, 48.9 percent of experts hold it would be no higher than 30 percent, 30.2 percent of them think it would reach 30 percent to 35 percent, and 20.9 percent believe it would be more than 35 percent. Experts also believe that price situation for the year would be very grim, but it would not be out of control.

Economic Forecast Sees Inflation as Major Problem

HK1610074194 Beijing ZHONGGUO XINWEN SHE
in English 1425 GMT 14 Oct 94

[FBIS Transcribed Text] Beijing, October 14 (CNS)—Forecast made by the State Information Center on the year-round economic operations shows under the circumstances of no severe natural disaster occurring and unbroken implementation of the set monetary policy, economic movement can be expected to approach the macro-control goal by the end of this year. However, problems of hyperinflation, ailing state-owned enterprises and weak agricultural foundation will remain.

Forecast indicates that the year-round Gross Domestic Production (GDP) will exceed RMB [Renminbi] 4000 billion, an increase of 11.5 percent than last year calculated in comparable term, gradually approaching the macro-control target of 10 percent. Such a growth rate is still higher than the average growth rate in recent 15 years, indicating economy is still running at a high level.

Inflationary pressure will be not eased. It is estimated that the year-round growth rate of retail sales prices will be as high as 18 percent or so, far from the macro-control target of below 10 percent set by the central government. This year inflationary growth will be faster than economic growth, compared with high economic growth and low inflation in 1992 as well as inflationary growth and economic growth at the same pace last year.

Fixed assets investment growth shows an obvious fall compared with that of last year but actual growth rate remain faster than that of national economy. Initial forecast shows the year-round fixed assets investment is expected to reach RMB 1554.8 billion, 34 percent up than last year.

Suitable growth will be maintained on size of loans and the year-round money supply is expected to be tightened within the scope of plan in amount set early this year.

Great rise in export has been seen and export growth is faster than import growth, export and import can be expected to strike a balance in value for this year round. The year-round export value is expected to be US\$ 120 billion, 30.7 percent up than last year, and import value to be US\$ 119.7 billion, 15 percent up.

The State Information Center believes that most ratios are expected to reach or approach macro-control goals except that inflation is difficult to be reined in below set goal. However, some problems remain, casting a shadow on next year's economy, they are: weak agricultural foundation, water conservancy facilities long out of repair, loss-making state-owned enterprises and inflationary pressure.

Officials Discuss Role of Information Institutions

OW1710153894 Beijing XINHUA Domestic Service in Chinese 0831 GMT 11 Oct 94

[By ZHONGGUO DIANZI BAO reporter Wang Xuewu (3769 1331 2976) and XINHUA reporter Liao Yi (1675 5669)]

[FBIS Translated Text] Beijing, 11 Oct (XINHUA)—How can China's ministerial and departmental level economic information institutions play a greater role in the market economic system? Persons in charge of over 20 ministerial and departmental level information centers held a discussion meeting in Beijing today, and pointed out: We must seize the opportunity provided by China's national economic development to promote the information industry, reform with keen determination, march toward the market, and strive to construct highly efficient and accessible information institutions.

Since reform and opening up, over 50 ministries and departments in the country have established information centers, making important contributions to the macroeconomic regulation of the national economy. However, these centers basically only provided services to some policy-making departments unitarily in the past, and practiced an organizational style of management system. Participants at the meeting pointed out that developing the information service industry and cultivating the information market is an important component of the socialist market economic system. Ministerial and departmental level information institutions must develop two-way services based on the market. When serving policy-making departments, these institutions should switch to providing more macroeconomic information of high quality and high efficiency that objectively reflects market operating laws and market development trends. When serving the grass-roots level and market, they should provide more market forecast information that is scientifically analyzed and needed by

enterprises. Meanwhile, it is necessary to introduce the enterprise management system and adopt the business-style road.

Securities Arbitration Laws To Be Issued Soon

Promulgation Expected in Aug

HK1510080594 Hong Kong *SOUTH CHINA MORNING POST (BUSINESS POST)* in English 15 Oct 94 p 3

[By Christine Chan]

[FBIS Transcribed Text] China will soon issue rules to resolve disputes in the securities industry through arbitration, following the promulgation of the arbitration law in August. The new resolutions, however, will apply only to disputes among brokerages and between brokerages and stock exchanges. Disputes involving share investors will not be handled under the resolutions.

Gao Xiqing, general counsel and director of public offerings for the China Securities Regulatory Commission (CSRC), said the advent of a national arbitration law meant that disputes in the securities sector could be more effectively resolved. "We are issuing an ordinance in the next few days requiring all financial institutions (involved in stock operations) to include arbitration clauses in their agreements," he said at an Asia Society meeting in Hong Kong yesterday.

Mr Gao said the development followed the CSRC's appointment two months ago of the China Council for the Promotion of International Trade (CCPIT) to handle disputes in the securities industry. Under the CCPIT's banner is the China International Economic and Trade Arbitration Commission (CIETAC). Since the appointment, Mr Gao said only one case had been filed with the CIETAC. The CSRC, however, had received more than 400 complaints between early last year and June this year.

Mr Gao dismissed suggestions that the new law was ineffective, saying the arbitration mechanism had to be put in place within a short period. Arbitration is more acceptable in international business circles than resolution of civil disputes by court proceedings. Mr Gao said China's inefficient court system had contributed to the CSRC's decision to resort to arbitration for disputes involving brokerages. "There're inadequate judges and most of them are not well-trained," he said, adding that education was another problem in the legal system. "It could take about 10 years for the court to familiarise with the securities law," he said.

Given the existing legal framework, Mr Gao said the commission faced having to suffer under the inadequacy of the laws and their enforcement, weak public awareness in compliance, poor resources and friction from officials. He cited as an example of the problems with the legal system that only half of the China-listed companies had submitted their interim results to the commission

for the first six months. "It's not a matter of enforcing the law. But it's a matter of educating the people (to comply with law)."

There are about 120 people working for the CSRC, which is far from sufficient to deal with the securities issues of the entire country. "We just don't have enough manpower and resources," said Mr Gao. He said there was constant friction between the central government and local governments, which had proved difficult for the commission. "Local governments sometimes won't want to listen to you."

Arbitration Panel System Planned

HK1510080794 Hong Kong *HONGKONG STANDARD (FINANCIAL REVIEW)* in English 15 Oct 94 p 1

[By Chan Po-chung]

[FBIS Transcribed Text] Six local professionals have been recruited to join an arbitration panel set up by the China Securities Regulatory Commission (CSRC), the mainland market watchdog, to mediate securities disputes, according to a senior Chinese official. Gao Xiqing, CSRC director of public offerings, yesterday said the six arbitrators included Chinese and British people, mostly lawyers and professionals. "Their jobs are to mediate contractual problems between brokerage houses, or between brokerage houses and the stock exchanges of Shenzhen and Shanghai," he said at a luncheon on China's efforts to set up a legal system. The panel, formed in July, would not handle rifts between individual investors and brokerage houses.

Mr Gao said contractual disputes would now go straight to the panel and bypass the courts. At least one case had been referred to the panel, but Mr Gao declined to disclose details. He said CSRC's limited staff of 120 had prevented it from broadening its role, thus requiring a complementary body. "Hundreds of cases have been received by the CSRC and are now waiting for the panel to go through." However, some serious cases still await CSRC's ruling. "As a matter of fact, there are many cases concerning insider dealing waiting on our desks," Mr Gao said. These cases had been accumulating since the bourses opened, he said, without disclosing the individuals or institutions involved.

On the long-awaited securities law, Mr Gao said approval of the comprehensive regulations was not under the CSRC's wings. Besides arbitration of disputes, the law also covers the issuance and trading of securities, takeover of listed companies, protection of investors and the administration of the securities market.

Economist Li Yining on Pace of Shareholding Reform

HK1710064594 Hong Kong *SOUTH CHINA MORNING POST (BUSINESS POST)* in English 17 Oct 94 p 3

[View Point" column by Professor Li Yining, head of Beijing University's Department of Economics and

Management and member of the Standing Committee of the National People's Congress: "Shareholding Reform Must Continue Apace"]

[FBIS Transcribed Text] Analysts are divided over the pace of China's shareholding reform.

Some feel it is too rapid, while others think it is too slow.

Those arguing that the pace of reform has gone too far say this is reflected in the market slump.

Those opposed to rapid reform say that under such circumstances, it is difficult for the stock markets to operate normally, especially in the light of the dramatic slump of the two key exchanges in the first half of the year.

Those who say that the pace of reform is too slow argue that the number of companies converted to the shareholding scheme represents only a tiny proportion of the enterprises which should be restructured.

They strongly feel that shareholding reform is too slow, compared with price reform which has been carried out at a much faster pace.

But some analysts feel the development of China's stock markets is far from perfect.

There are A, B and H shares.

The various categories of shares may be issued by the same company but their prices vary.

Among A shares, there are state-held shares, legal person shares and individual shares, but only the latter can be freely traded on the stock market.

This complication is a reflection of the slow progress of shareholding reform.

Some think that the enlargement of the market was one of the reasons for the market slump in the first half of the year.

But the more important causes are the credit crunch, which has led to a shortage of capital for investment, and spiralling interest rates.

I think the pace of shareholding restructuring is slow compared to that of price reform.

Over the past few years, shareholding restructuring has been carried out on an experimental level.

The experiment has been continuing for several years and the benefits of shareholding reform are so obvious that many cities are clamouring to join the queue.

Yet why is the reform still being kept at the experimental stage, especially when the legal framework—in the form of the Company Law and executive and provincial regulations of share transactions—has already been enacted?

There seem to be three areas of concern about the reform, but they are not genuine objections.

First, some say that if the pace of shareholding restructuring is speeded up, it will undermine the role of public ownership. This is because shareholding restructuring is regarded as a product of the non-state-owned sector.

Second, the faster the pace of reform, the quicker the leakage of state-owned properties.

Third, when the pace of reform quickens, more retail investors will withdraw their savings to buy shares, leading to a drastic drop in bank deposits.

In fact, however, under China's shareholding structure, shareholding companies are still mainly based on the public ownership system.

Both state-held shares and legal-person shares are state-owned shares while only individual shares are held by individuals.

There is nothing wrong with allowing individual investment, which has an element of risk.

Also, we can no longer look at shareholding restructuring with a traditionally biased eye.

At the same time, we must take a fresh look at the public ownership system.

China's shareholding restructuring, indeed, may evolve into a new model for public ownership.

Moreover, it is not true that leakage of state-owned assets will worsen.

In fact, shareholding entities account for only a tiny portion of the total number of state-owned enterprises.

Indeed, the state-owned properties which have not become a part of the share system are a burden to those enterprises which have undergone shareholding restructuring.

To circumvent this loophole in the process of shareholding reform, all state-owned properties should be valued properly.

That would also mean that both state-held shares and legal-person shares should be subject to the same treatment as individual shares in such matters as bonus shares, rights issues and dividend payments.

As to whether share investment would lead to lower bank deposits, one can say that investments in shares are not necessarily financed by bank savings.

Even if bank savings are reduced, it should not pose a major problem.

Companies seeking listings essentially want to raise funds. If they can do so through a flotation, it may mean their bank borrowings will drop.

Indeed, listed companies do not leave the proceeds from their listings in safe deposit boxes. The money raised is usually deposited in banks and drawn out to support their expenses.

In that sense, concern over a possible reduction in bank deposits is probably unfounded.

In short, the three main concerns about the rapid pace of shareholding reform are not genuinely valid.

Seminar Explains Tax Reform Effects on Foreign Firms

HK1810105294 Hong Kong HONGKONG STANDARD (FINANCIAL REVIEW) in English 18 Oct 94 p 5

[FBIS Transcribed Text] Two senior officials have explained the advantage of the tax system to foreign investors, during a seminar on China tax's reform.

Under the new tax system, foreign enterprises will pay less turnover tax in average. This is according to the findings of a survey on foreign-invested enterprises.

The commodities which foreign enterprises have to pay less turnover tax are tobacco, alcohol, refrigerators, air-conditioners, video cassette recorders, clocks, watches, electric fans, audio blank tapes, radios, televisions, calculators, bicycles, and benzol products.

However, on the other hand, turnover tax has increased on vehicles, motorcycles, electricity, and transportation among other things.

The officials pointed out that the new system had retained the preference policy for foreign-invested enterprises. The new system includes the following:

—The tax deduction policy would be introduced in the restricted zones and for specified commodities only. China has set up five special economic zones, 32 economic technology development zones, 13 bonded zones, and 52 high technology development zones.

The income tax would be deducted from the foreign-invested enterprises in these zones. Foreign enterprises with capital of U.S.\$10 million (HK\$78 million) or above, joint ventures (leading with infrastructural projects), foreign-invested and joint-venture banks with over 10 years of history can enjoy the tax incentive.

In addition, the Chinese Government has established five coastal open zones, 14 coastal open cities, 13 border open cities, 11 resort zones, and 26 provincial cities. Tax incentives are also offered to foreign-invested and joint-venture enterprises in these zones and cities.

—Tax deduction and tax exemption are offered to specified projects or businesses.

For example, the foreign-invested banks and enterprises with over 10 years business history can enjoy tax exemption in their first profit-making year and tax deduction in the following years.

—If foreign investors re-invest in China with the profit revenue from their existing enterprises, the income tax paid by their existing enterprises would be partially or wholly returned. Foreign-invested enterprises which deal with agriculture development, energy exploitation, transportation development, environmental protection, and technology development are entitled to the privilege of tax deduction.

To attract foreign investments, tax deduction or exemption would be offered to certain projects in specified regions. The authorities of specified provinces, autonomous regions and municipalities would decide to impose tax incentive according to their actual requirement.

New value-added tax, consumption tax, and business tax would replace the consolidated industrial and commercial tax. Preferential policy for foreign enterprises would not be affected initially.

Under the new tax system, there are 11 tax items which apply to foreign investors, namely: Valued-added tax, consumption tax, business tax, income tax of joint venture and wholly foreign-owned enterprise, individual income tax, resource tax, increment tax on land value, stamp tax, property tax, vehicle and ship licence tax, and slaughterhouse tax.

Bank Reports Beijing Subway Bonds Sell Out in 2 Days

OW1610114894 Beijing XINHUA in English 1137 GMT 16 Oct 94

[FBIS Transcribed Text] Beijing, October 16 (XINHUA)—The 25 million yuan worth of the Beijing subway bonds have been sold out in two days, instead of the two months planned by the seller.

The bonds hit the stands in the morning of October 10, in 11 downtown offices of the Construction Bank of China, the solely seller of the bonds. By four o'clock in the afternoon, only a small stock was left.

And by the noon of the next day, all the bonds have been sold out, sources from the bank said.

The sellers had planned to sell out the bonds by December 10.

"The rate of interest is high. Besides, the stock market has been fluctuating sharply, so people have to find another channel for their money," a buyer said.

"We see the subway everyday, and it is getting longer and longer, promising a bright future. And the bonds are guaranteed by a powerful company," said another buyer. The "powerful company" is the North China Power Group, who has just successfully issued its bonds in the United States.

The bonds of the Beijing Subway Corporation have a two-year term and an annual interest rate of 14.1 percent. It plans to use the revenues for the building of a

12-km subway line from Xidan in the center of Beijing to Bawangfen in the eastern suburbs.

Fixed-Assets Investment Increases in Jul, Aug

HK1810095894 Beijing ZHONGGUO ZHENQUAN BAO in Chinese 29 Sep 94 p 1

[By Xie Yue (6200 1878): "Statistics of State Statistical Bureau Show Investment in Fixed Assets Increased Again in July and August"]

[FBIS Translated Text] Recently, this reporter has learned from the State Statistical Bureau that starting in the high season of construction in July and August, the declining trend of investment in fixed assets since the beginning of this year has picked up again so that it will be difficult for the overall scale of fixed-asset investment to return to an appropriate range. Hence, latent pressures arising from future investment should not be overlooked.

Starting this year, the margin of increase in fixed-asset investment has been much smaller than in the same period last year. Between January and August, state-owned units have fulfilled 492.2 billion yuan of investment in fixed assets, an increase of 44 percent over the same period last year, while the margin of increase has dropped by 24.4 percentage points. Of this, investment in capital construction, renovation and transformation, and real estate has decreased by 20.6, 26.9, and 76.4 percentage points respectively.

Since July, however, investment has picked up again, and in July and August alone the amount of investment fulfilled came to 184.1 billion yuan, an increase of 54.4 percent over the same period last year, while the margin of increase rose by 16.9 percentage points compared with the first half of the year. Of the total, investment in capital construction amounted to 101.9 billion yuan, increasing by 57.7 percent, and investment in renovation and transformation was 41.5 billion yuan, increasing by 40.7 percent, while the margin of increase rose by 19.2 and 4.2 percentage points respectively.

In light of the current investment situation, the State Statistical Bureau pointed out that problems existing now chiefly cover the following two aspects: 1) Compared with the 10-percent target set by the state for macroeconomic regulation and control, the above margins of increase are still too large. It has been reported that voices calling for the establishment of new projects during the year are still very loud in various localities, and latent pressure arising from investment has not been eased. 2) Funds for some projects are not in place. As the investment structure has not been straightened out, some projects have been broken up into parts, budget estimate have been exceeded, and self-possessed funds and basic circulating capital are inadequate, causing an increase in defaults. According to incomplete statistics, a grand total of 20.9 billion yuan is in arrears for capital construction, renovation, and transformation between

January and August, which is more than double that compared with the same period last year. Owing to the shortage of funds, the phenomenon of raising funds for established fixed-asset investment projects still exists.

In this regard, the State Statistical Bureau stressed the needs to continue placing the implementation of the State Council's 10 measures for controlling fixed-asset investment in a primary position and to continue exercising strict control over newly established projects. With regard to projects that do not conform to the state's industrial policy and lack sufficient funds and clear market prospects, they should be resolutely suspended or postponed. We must do all we can to control the investment scale for the whole year within an appropriate range.

More Banks To Internationalize Operations

OW1710081794 Beijing XINHUA in English 0800 GMT 17 Oct 94

[FBIS Transcribed Text] Shanghai, October 17 (XINHUA)—China's four specialized banks had opened over 500 branches or offices out of China by the end of 1993 with the total capital hitting 120 billion U.S. dollars overseas, according to an international symposium here.

By now [sentence as received]. The balance of deposits overseas by these banks reached 50 billion U.S. dollars and the balance of loans hit 27 billion U.S. dollars and over 20,000 clerks are employed overseas, according to the symposium "Finance and Transnational Operation of Enterprises."

The Bank of China (BOC), China's foreign exchange bank, has started more than 400 offices in 18 countries and regions.

In March 1991, China's first joint stock commercial bank—Bank of Communications—opened its first branch in New York, followed by more in Hong Kong, Tokyo and London.

The Industrial and Commercial Bank of China, China's largest bank, is also expanding overseas operations with business extending to New York, Singapore and Kazakhstan. The bank is also ready to start its London and Tokyo branches later this year.

Meanwhile, overseas offices have also been started by two other specialized banks like the People's Construction Bank of China and the Agricultural Bank of China.

Other financial institutions and banks under some Chinese business giants like the CITIC Industrial Bank under China International Trust and Investment Corporation (CITIC), China Merchants Bank, and Huaxia Bank funded by Shougang (Capital Iron and Steel Company) have all started overseas operations, according to sources from the People's Bank of China, the central bank of the country.

The People's Insurance Company of China (PICC) has set up two regional branches in Hong Kong and London as well as offices in Luxembourg and the United States.

With more Chinese banks exploring global market, business by these banks are booming outside China. While consolidating traditional business like deposits, loans, settlement for trade and foreign currency exchanges, the bank of China has also promoted a number of new businesses such as providing financial services, establishment of foundations, financial futures trading, leasing of planes, securities, insurance and real estate.

The bank has also acted as an underwriter for the Qingdao beer company, the first mainland enterprise listed in the Hong Kong stock market.

Most Chinese banks, whether BOC, the Agricultural Bank or the Industrial and Commercial Bank have helped raise funds overseas for technical renovation of Chinese enterprises and construction of such infrastructure facilities as energy, communications and telecommunications.

Overseas operations have boosted the popularity of Chinese banks in the international financial world. An authoritative financial magazine in Britain listed six Chinese banks among the world's top 1000. In the list, the Industrial and Commercial Bank of China is listed as the seventh, BOC 21st, Construction Bank 47th, Agricultural Bank 54th, and the Bank of Communications 155th.

BOC has also entered the 10th largest enterprise in financial service in this year's "FORTUNE" magazine published in the United States.

At present, deliberations are underway in China to build more Chinese banks into the world's first rate multinational banks. Experts are also suggesting more government interference in the overseas operations of Chinese banks such as a co-ordinating institution or a government agency to examine or supervise such businesses.

Meanwhile, the experts calls for the introduction of more advanced management expertise and modern technology as well as training of people.

CASS Predicts Balance in 1994 Foreign Trade

HK1610074394 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 16-22 Oct 94 p 2

[By Wu Yunhe: "Exports, Imports To Break Even"]

[FBIS Transcribed Text] China will likely see a general balance of imports and exports this year, the China Academy of Social Sciences (CASS) predicts.

Gross foreign trade may reach \$235 billion in 1994, with imports rising 16 per cent and exports up 25 per cent, according to a CASS prediction on the year-end national economic condition.

The estimate coincides with an announcement by the General Administration of Customs that China's foreign trade surplus soared to a record \$1.38 billion during the January-September period this year.

CASS explained that the unification of the country's two-tier exchange rates at the beginning of the year has honed the competitive edge of Chinese products.

The improved competitiveness is stirring exports and leading to a better-than-expected positive trade balance for the country, CASS noted.

But government officials say unification of the exchange rates will not slash China's imports, which are growing at a steady pace.

In the wake of rising investment in fixed assets, there remain more projects to be set up during the coming months of the year, which include those absorbing foreign investment.

The government's loosening of the monetary policy will allow some new projects and Chinese enterprises to have access to more capital for importing goods.

The Chinese projects and foreign-invested ventures as well will spark the country's imports since both need the help of the latest foreign technology and equipment.

Annual fixed-assets investment will exceed 1550 billion yuan (\$180 billion) this year, up 31.4 percent from last year, CASS noted.

"Rising investment in capital construction and technology renovation will encourage imports, thus achieving a trade balance at the end of this year," CASS officials said.

However, if China cannot realize its re-entry to the General Agreement on Tariffs and Trade, a large reduction in tariffs would not take place in the near term, trade analysts say.

As a result, the country's programme of unified two-tier exchange rates would further devalue the yuan and make Chinese products less expensive overseas next year, they added.

China experienced its first trade surplus of \$100 million by August this year, after plunging in the red for more than a year, customs officials said.

China's exports rose 29.7 percent to \$79.44 billion, while its imports chalked up a yearly increase of 15.2 percent to hit 78.06 billion during the period.

Buying Power of Residents Growing Beyond Daily Needs

OW1810071294 Beijing XINHUA in English 0643
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—As ordinary Chinese consumers have enjoyed a

better life, their buying power has advanced to a more or less "pleasure-oriented" stage, a recent national survey claimed.

At present in China, people, both in urban and rural areas, are more concerned about the quality of food, clothes, housing and other articles for daily use. They show an increasing purchasing power for durable commodities.

The number of video recorders, air conditioners, electric kitchen fume hoods and telephones sold in 1993 increased 110 percent over a year ago.

Last year, the amount of money spent by each urban citizen on books, magazines and cultural activities reached 200 yuan, a 30 percent increase over 1992.

Similar spending patterns were found in rural areas, which saw cultural purchases shooting up by as much as 18-fold in the past 15 years.

Across the nation, expenditures on housing last year also showed the fastest growth in recent years.

However, the consumption gap between urban and rural communities has widened, despite a general improvement in the daily life of farmers.

In 1993, the annual per capita income hit 2,337 yuan in the cities and reached only 922 yuan in rural areas.

The consumption power in cities and towns has been about three times higher than those living in the countryside in the past two years and regional differences have emerged with more substantial contrasts, said the report.

The survey revealed that families in the top 20 percent income bracket in Beijing earn at least 13,000 yuan; Shanghai, 15,000 yuan; Guangzhou, 24,000 yuan.

But there are still about 80 million people whose average annual income fell below 300 yuan.

Politics Not 'Major' Factor in Business

HK1810100194 Hong Kong MING PAO in Chinese 14 Oct 94 p 1

[By staff reporter: "China Allows Foreign Investment, But Not Management of Posts and Telecommunications"]

[FBIS Translated Text] An official of the Policy and Law Department of China's Ministry of Posts and Telecommunications [MPT] has told this staff reporter about China's policy of not allowing foreign businesses to participate in the management and operation of posts and telecommunications services. However, China is making every effort to expand the scale of foreign investment in posts and telecommunications services and foreign businesses are only restricted to investing capital and equipment. Foreign parties can choose to recover their investment through a variety of means such

as installment payments or participating in profit-sharing plans, but they can never participate in management and operation.

The official made the above remarks when this staff reporter followed up on the news that Hong Kong Telecom announced the other day that it would cooperate with the Beijing Post and Telecommunications Bureau to develop a mobile telecommunications network.

The official said that the policy of not allowing foreign businesses to participate in the management and operation of posts and telecommunications services is not fixed by the MPT but by the State Council. It cannot be changed because of a few persons nor will a "green light" be given because of a particular company.

Moreover, relevant quarters of the MPT said that the two projects intended for cooperation with Hong Kong Telecom should be treated separately. Beijing Municipality's mobile telecommunications network and paging project is a small project for them and is nothing particularly new, while the 3,000-km fiber optic project is an important project for the Chinese side. Cooperation with Hong Kong Telecom is merely intended. It is still not known to what extent Hong Kong Telecom will participate in this project.

Asked whether the fact that the authorities and the Beijing Telecommunications Bureau have chosen UK-funded Hong Kong Telecom this time in contrast to their consistent practice of cooperating with French companies shows that Sino-British relations have eased to a certain degree and in certain respects, the MPT official said: "Our major considerations are not political background when choosing foreign business. We mainly consider whether the repayment terms are preferential, whether the performance of their equipment is first rate, and whether the price is reasonable. The Beijing Telecommunications Bureau is cooperating with French companies in program-controlled telephone exchange systems. As for other projects, all foreign businesses have the opportunity to cooperate with us if their terms and conditions in the areas mentioned above are appropriate."

Council Issues Trademark for Genuine Leather Goods

OW1510053294 Beijing XINHUA in English 0456
GMT 15 Oct 94

[FBIS Transcribed Text] Beijing, October 15 (XINHUA)—A symbol designating high-quality, genuine leather products was issued by the China National Council of Light Industry Friday [14 October].

Registered in the State Administration for Industry and Commerce, the genuine leather trademark will be attached to natural leather and fur products, including shoes, garments, suitcases and handbags, guaranteeing their validity and quality.

The genuine leather symbol is expected to improve the quality of the country's leather products, said Pan Beilei, vice-chairwoman of the council.

As the international center of the leather industry moves to Asia, China will become the world's key leather producer and consumer.

Last year, China exported 5.8 billion U.S. dollars worth of leather products, 23.4 percent more than the previous year. The leather industry is the biggest exporter of the 22 light industry sectors.

The first batch of genuine leather trademark users includes 49 domestic enterprises including Xuebao leather garments from Zhejiang and Baihua leather shoes of Beijing.

New enterprises that want to apply for genuine leather certification must pass a quality examination conducted by the State Technology Supervision Administration.

China To Rectify Malpractices in Building Industry

HK1510020794 Beijing ZHONGGUO XINWEN SHE in English 0905 GMT 14 Oct 94

[FBIS Transcribed Text] Beijing, October 14 (CNS)—Since the Chinese government has set the building industry as one of her four pillar industries of China in the 90s, the Ministry of Construction has recently decided to rectify malpractice in the building industry to meet requirements of the national economy. Emphases are to be put on rectification of the disorderly building market, improvement of poor management of building enterprises and low quality of projects as well as on stipulation of reasonable prices on building materials, according to the working conference on the building industry that opened here today.

In the past 15 years, a total amount of fixed assets investment of RMB [Renminbi] 5,440 billion has been injected in the building industry, 3.6 times as much as the total investment put in 30 years before implementation of the reform and open-door policy. [sentence as published] More than 2 billion square metres space of housing and several hundred thousand projects covering industry, energy, transport, posts and telecommunications have been completed. The building industry achieved gross production value of over RMB 730 billion with net production value of RMB 205.4 billion last year, accounting for 8.2 percent of the national revenue, getting close to the ratio of the developed countries in this sector in their economic developing period. To date, China has more than 80,000 enterprises engaged in the building industry employing 28 million workers.

Mr. Tan Qinglian, vice-minister of Construction, said many contradictions and difficulties were facing China's building industry at the time when the new system was replacing the old one. These problems covered such

aspects as imperfect building market system, irregular practice concerning operation of the building market, rise bribery, low-quality housing projects, poor management of building enterprises, unreasonable prices of building materials and low profits gained by building enterprises whereas real estate developers scooped relatively higher profits.

Besides problems existing within the building industry, there were also social problems, said Mr. Tan. The size of fixed assets investment had not yet been reined in and the management system failed to be sorted out, resulting in as high as over RMB 30 billion payment for building purposes remaining outstanding.

The Ministry of Construction calls for further improvement of project quality and management. Industrial policy on the building industry has been enacted and submitted to the State Planning Commission, and the Draft Law on Building is under way.

Government To Import Food-Processing Technology

OW1710084794 Beijing XINHUA in English 0833 GMT 17 Oct 94

[FBIS Transcribed Text] Shanghai, October 17 (XINHUA)—China will import advanced technology and equipment to upgrade its food-processing industry.

According to an on-going international food-processing industrial exhibition here, the central government has spent more than one billion U.S. dollars on importing such technology and equipment.

The exhibition, jointly sponsored by the China Food Society and the Shanghai International Exhibition Company, is displaying advanced food production lines, processing equipment and packaging machinery by 140 companies from 20 countries and regions.

In the first six months of this year, China's food industry generated an output value totalling 200 billion yuan, an increase of 16.67 percent over the same period of last year.

Work Starts on Largest Chemicals Marketing Center

OW1710144994 Beijing XINHUA in English 1436 GMT 17 Oct 94

[FBIS Transcribed Text] Changchun, October 17 (XINHUA)—Construction of China's largest chemicals supply and marketing center has begun in Jilin city, a petrochemical manufacturing center in northeast China's Jilin Province.

The center, the Jihua International Chemical Economic and Trade Center, will be built at a total cost of 160 million yuan, an official of the center said.

The official said that with total floor space of 52,000 square meters, the center will have such facilities as a

trading hall, an information network center, a financial and securities market, a commercial center and a recreational center, as well as 500 luxury apartments.

The Jilin Chemical Group Company, the leading chemical raw materials producer in China, will be a principal member of the center, he said.

He said that 500 chemical companies throughout China will be able to trade in spot goods and futures in the center.

Machinery Industry Output, Sales Said Rising

OW1810065494 Beijing XINHUA in English 0633
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—China is witnessing a fast growth in the production and sales in the machine-building industry this year, according to a report released by the Ministry of Machine-Building Industry.

The first nine months saw an accumulated output value of 317.59 billion yuan (37.36 billion U.S. dollars), an 8.9 percent rise over the same 1993 period, the report said.

And the sales volume reached 297 billion yuan (34.94 billion dollars), up 14.2 percent.

Some 93.5 percent of the newly-manufactured products were sold over the first nine months of the year, similar to the performance of last year, it said.

Among the nine major sectors, the motor industry registered the fastest growth, with the car output increasing by 16.6 percent.

The growth rate for agricultural machinery, instruments, and mineral machinery was 13.4, 13.3 and 8.3 percent respectively.

Other fast-growing sectors included optical instruments and metallurgical equipment.

However, building machinery and machine tools experienced an output decrease of 8.3 and 5.3 percent respectively during the past nine months.

Analytical instruments, mutual inductors, duplicators, printers, bulldozers, and metal-cutting tools have decreased output by 45.3 percent, 36.5 percent, 32.6 percent, 31.7 percent, 33.8 percent and 21.6 percent respectively.

Meanwhile, out of the 67 major electronic products, 40 have seen a drop in production, including combine harvesters which have, however, reported an output value surge of 71.3 percent.

The other 27 electronic products have seen increased production during the period.

Cameras, for example, has scored a rise of 198 percent in sales volume over the previous year.

Car makers saw 96.53 percent of their products sold in the market, while the sales ratio for farm machinery was 95.36 percent.

Large and medium-sized plants have reported better performances. They produced an output value of 200.04 billion yuan (23.5 billion U.S. Dollars) during the first nine months, 9.8 percent higher than that of the previous year.

They achieved a total sales volume of 297.00 billion yuan (34.9 billion U.S. dollars), up 16.8 percent.

Machine exports during the period totalled 15.36 billion U.S. dollars, an overall rise of 33.8 percent.

Chemical Sales Show 22% Improvement

HK1810105394 Beijing CHINA DAILY in English 17 Oct 94 p 2

[By Zhang Yuan: "Chemical Sales Hit \$18b, Up 22 Percent"]

[FBIS Transcribed Text] Chemical sales rose by 22 percent in the first three quarters of this year, topping 157.8 billion yuan (\$18.49 billion).

The Ministry of Chemical Industry said over the weekend that the increase showed that the country's market was experiencing continuous improvement owing to a greater demand for chemicals.

But growth of sales far outstripped that of production, officials said.

In the first three quarters of the year, the country's chemical industry turned out 145.2 billion yuan (\$16.8 billion) worth of products, an increase of 8 percent since last year. The figure accounted for 76.4 percent of this year's planned 190 billion yuan (\$22.1 billion) target, according to an official statement released over the weekend.

The top chemical producing provinces were Shandong, Jiangsu, and Liaoning. Their combined output value reached more than 44.4 billion yuan (\$5.2 billion), accounting for 27.4 percent of the country's total.

During the nine months, the output of chemical fertilizer increased by 9 percent to stand at 76.05 million tons and farm pesticides reached 179,000 tons, fulfilling 85.2 percent of this year's target, the release said.

Market recovery has accelerated the growth of chemical production each quarter. Production levels have risen from the 3.6 percent in the first quarter, to 6.9 percent in the second, and 8 percent in the third quarter.

In September, the chemical industry manufactured more than 16.8 billion yuan (\$1.9 billion) worth of products, up 15.6 percent since the same period last year. The monthly growth was the highest of the year.

Beijing and Shanghai Municipalities, Liaoning, Jilin, Anhui, Shandong, Hubei, Hainan, Sichuan and Guizhou provinces and the Inner Mongolia and Xinjiang Uygur Autonomous Regions have registered high growth.

Of the 16 major chemical products listed in the State Plan, production of 14 products increased and two decreased last month.

Nuclear Power Chief Outlines Need for More Plants

HK1510081094 Hong Kong *SOUTH CHINA MORNING POST (BUSINESS POST)* in English 15 Oct 94 p 3

[By Dusty Lee]

[FBIS Transcribed Text] Only nuclear power can provide a long-term solution to the growing demand for electricity in China's southern and coastal provinces according to a high-ranking Chinese nuclear power official. "Our nation has enough coal and oil to meet our energy needs, but the problem is that they're inconveniently located in the north and northwest. So it's necessary and reasonable to develop more nuclear power plants along the coast," Chen Zengqing, director of China's Nuclear Power Office, said yesterday in Hong Kong. "If we could, we would rely more on hydroelectric power in the southeast, but the conditions there aren't good for it and we would have to relocate many, many people."

China's inadequate transport system means that the country cannot move enough coal to the southern and coastal provinces to allow them to rely solely on steam-turbine generators to meet their power needs. China has already constructed nuclear power plants at Daya Bay in Guangdong province and Qinshan in Zhejiang province, but so far they produce less than one per cent of China's annual electricity output. Mr Chen said China still had not decided on joint venture partners for the construction of two more nuclear power plants, Lingao in Daya Bay and Wafangdian in Liaoning province.

He said China lacked sufficient capital and expertise to build more plants on its own, but he added that he hoped an international exhibition on the nuclear power industry—to be held in Beijing in March—would give the Chinese Government more opportunities to negotiate joint ventures with overseas companies. He said China would also host an international electric power supply equipment exposition in Shanghai and a hydroelectric power station equipment and construction fair in Beijing next year to generate more interest among foreigners in China's power generation infrastructure.

In the meantime, a delegation from Beijing will be in South Africa next week to negotiate a number of contracts with the Atomic Energy Corp (AEC) there.

Wujiang River Power Station Goes Into Operation

OW1710144694 Beijing *XINHUA* in English 1429
GMT 17 Oct 94

[FBIS Transcribed Text] Guiyang, October 17 (XINHUA)—A 170,000-kilowatt generating set of the Dongfeng hydroelectric power station on a tributary of the Wujiang river in southwest China's Guizhou Province went into operation yesterday.

The Dongfeng station is one of the nine hydroelectric power stations to be built on the swiftly-running Wujiang river, a major tributary of the Chang Jiang river.

The Dongfeng station, a top-priority project in China, is designed to have a total generating capacity of 510,000 kilowatts. When completed, it will be able to generate 2.42 billion kilowatt-hours of electricity annually.

Tianjin Petroleum Firm Obtains ISO-9000 Certificate

OW1810074294 Beijing *XINHUA* in English 0710
GMT 18 Oct 94

[FBIS Transcribed Text] Tianjin, October 18 (XINHUA)—The Bohai Petroleum Platform Manufacturing Co. has got the iso-9000 certificate from the Norwegian ship register today.

It is the first Chinese offshore oil company to get such a certificate.

The ISO-9000 is a series of international quality management and quality assurance standards issued by the International Standardization Organization (ISO) in March 1987. So far the standards have been adopted in more than 70 countries in the world.

The Bohai company now produces 80 percent of China's offshore oil platforms.

Since March last year, the company has been improving its management and quality control with the help of foreign experts in line with the ISO-9000 standards that cover employees' foreign language standard, contract system, accounting, taxation and computerized management.

Highest Oil Well Yields High Crude Output

OW1810081494 Beijing *XINHUA* in English 0746
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October (XINHUA)—The highest oil well in the western Qaidam basin in northwest China's Qinghai Province has yielded a high output of 2,000 tons monthly.

The "Shi-32" well is 3431 meters above the sea level, the highest of the sort in China. The total liquid output in the month-long trial production reached 3,000 cubic meters.

Experts involved said that the high output of the oil well has proved that the area where the oil well is located is rich in natural gas and oil.

Biotechnology Hindered by Centralised Control

HK1710064794 Hong Kong *SOUTH CHINA MORNING POST (BUSINESS POST)* in English 17 Oct 94 p 4

[“Beijing Briefing” column by Ted Plasker: “Biotechnology Pioneers See Efforts Hindered by Bureacracy and Rivalry”]

[Text] Many of the impressive advances made by Chinese biotechnology scientists are grossly under-utilised because of continued centralised control over agriculture and inter-ministry rivalries in Beijing.

“Until Chinese agriculture becomes truly privatised, it will be difficult to apply the results of our research on a large scale,” said Professor Chen Zhangliang, director of the National Laboratory of Protein Engineering and Plant Genetic Engineering at Beijing University.

Using advanced gene cloning and splicing techniques, Prof Chen and others have developed new varieties of tobacco, cotton, and rice that are more resistant to parasitic viruses, bacteria and insects.

These new varieties offer the potential of vastly greater crop yields, and a weapon with which to combat such pests as the cotton boll worm, which over the past two years has destroyed more than 400,000 tonnes of China’s cotton crop.

However, according to Prof Chen, efforts to apply his valuable technology have been frustrated by the conflicting interests and split responsibilities of the ministries and government organisations involved.

Under the system, the organisations that profit most from cotton and tobacco have little incentive to invest in his work.

Neither cotton nor tobacco are especially lucrative for the growers, whose output is sold at low margins to textile and cigarette manufacturers respectively.

The big profits come only later, from the sale in China and abroad of garments, and from the high taxes levied on cigarettes.

Exported textile products are China’s largest single foreign currency earner, accounting for about one third of total exports.

The state-run tobacco monopoly, meanwhile, is the leading source of domestic tax revenue.

Prof Chen said officials in the textile sector told him they had nothing to do with growing cotton and no interest in the high-yield cotton varieties he had to offer them.

He received a similar response from officials in the powerful state tobacco monopoly who, with no shortage of cheap tobacco leaf suppliers to choose from, are likewise uninterested.

Private tobacco farmers have been impressed with his virus-resistant plants that produce a better and more valuable leaf, but few can afford it.

So instead, he and other biotech specialists have turned their attention to genetically engineered medicines.

Far more liberal and market-oriented than the agricultural sector, the pharmaceutical industry has provided these scientists with the fertile ground they need to bring their work to fruition.

Among the most successful products to emerge so far is a genetically engineered hepatitis B vaccine.

According to Wei Jiewei, director of international cooperation with the China National Centre for Biotechnology Development, this high-technology vaccine is both safer and more economical than the traditional product derived from blood plasma.

The drug is being produced in a Shenzhen joint venture with American pharmaceutical giant Merck.

“One out of every 10 Chinese is positive for hepatitis B, and at the beginning of this year China instituted a mandatory vaccination policy, so the market is very good,” said Mr Wei.

Although the joint venture originally expected to sell the vaccine elsewhere in Asia, domestic demand is so high that plans to export have been put on hold.

Prof Chen, meanwhile, has established a factory in Shenzhen that is China’s leading producer of A-interferon, a genetically engineered drug used to treat viral infections.

With the profits from that factory, he is able to improve working and living conditions for his research staff in Beijing.

“It’s difficult for us to make money in agricultural. [sentence as published] The big money is in drugs,” he said.

Farmers Prosper Choosing Technology Over Customs

OW1710030994 Beijing *XINHUA* in English 0247 GMT 17 Oct 94

[FBIS Transcribed Text] Taiyuan, October 17 (XINHUA)—In his 60th birthday, Gao Erwang was happy to see a music TV program in which a song was specially broadcast for him.

In the day he also received a decorated pine tree delivered by his relatives as special greetings.

His sons and daughters-in-law spent 45 yuan for the special broadcasting. The old peasant in Gaojiatai village in Linxian County in northern China's inland Shanxi Province said he was glad about the new way of birthday celebration.

"It wastes a lot of money and time to hold dinner parties," said the old man, who has become well off by trading jujubes over the past years. "I like the new way and can feel their respect for me."

Wealthy Chinese farmers usually hold a grand banquet to dine his family and relatives as a birthday celebration for one of the family members. But that custom has gradually changed over the past few years.

More and more young people in the rural areas have accepted new ideas. In the wedding day, birthday or other important celebrations, songs and special programs at local television stations have been favored. Some of them regard it as a fashion.

Officials said more than 100 local television stations have been established in counties and cities in Shanxi Province. They have provided more kinds of services for their TV viewers.

Pictures of god of wealth, fertility and other gods that promises fortune were often hung on the wall of farmers' houses. However, they are now giving way to pictures of agricultural science and technology that the owners might consult during their farm work.

"I could not prosper in the past when I worshiped the god of wealth," said Liu Huyin, a farmer in Xiangheng County who keeps a cattle farm of his own. "But new technology helps bring me wealth."

To master new techniques in raising cattle, Liu has employed an expert from the Shanxi Provincial

Academy of Agro-Sciences in Taiyuan, capital of the province. He now makes about 30,000 yuan of profit a year.

Well-known for its rich reserves of coal, Shanxi with over 30 million population was still one of the poorest regions in China. However, China's policy of reforms and opening to the outside world has brought great changes to local rural economy.

Over the past years, like many other parts of the country, local economy has witnessed a fast expansion, although per capita income for local farmers in the province grew to 718.30 yuan last year, still lagging far behind the national level of 921.4 yuan.

New Hybrid Rice Species Developed

OW1810044994 Beijing XINHUA in English 0319
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—Chinese scientists have succeeded in developing a new hybrid rice species, which is capable of producing good-quality rice with high per unit yield, according to the SCIENCE AND TECHNOLOGY DAILY.

Coded "Good-Flavor Sterility-Line Hybrid Rice-A", the new species is the result of ten years' research efforts by a rice study team headed by Zhou Kunlu in central China's Hunan Province.

Experts said that the research result, which has passed technical appraisal by the Hunan Provincial Science Commission, is one of the greatest achievements following the hybrid rice sterility V20A and hybrid rice combination series V6 and V35.

They said that Rice-A can grow four times a year and can be introduced to wider areas.

East Region

Anhui Leaders Attend National Day Celebrations

OW1810060594 Hefei ANHUI RIBAO in Chinese 2 Oct 94 p 1

[Report by provincial radio reporter Zhang Lei (1728 4320) and ANHUI RIBAO reporter Wu Wensheng (0702 2429 0524): "The Province and Hefei City Held National Day Celebrations in a Garden"]

[FBIS Translated Text] On the morning of 1 October, leading members of the party, government, and PLA in Anhui Province and Hefei happily took part in National Day celebrations in a garden together with tens of thousands of people.

On the festival day, the provincial capital was full of refreshing atmosphere and the fragrance of orange osmanthus [dan gui 0030 2710]. The ancient Hefei was beautifully decorated with fresh flowers, fountains, flags, and colorful balloons. In front of Xiaoyaojin Park, there were huge slogans hanging under four large colorful balloons which read: "Celebrate the 45th Founding Anniversary of the People's Republic of China" and "Seize the Opportunity, Deepen Reform, Open Up Wider, Promote Development, and Maintain Stability." A large flower vase with miniature trees attracted the attention of many people. Lively music was played by drum and gong teams and an army band.

At 0900, Lu Rongjing, Fu Xishou, Yang Yongliang, Wang Taihua, Fang Zhaoxiang, Liu Guangcai, Chen Guanglin, Du Cheng, Wang Zhaoyao, Cai Bingjiu, Wang Sheyun, and Chen Peisen as well as responsible persons of the party, government, and army of Hefei came to Xiaoyaojin Park. Inside the park, people wearing their best clothes for the festival day were all smiles. Innocent and lively children carried colorful balloons and played happily. Provincial and city leaders were all smiles when they saw the joyful scene.

An amateur troupe organized by the Hefei City Cultural Bureau was giving performances on the lawn. Provincial and city leaders sat alongside the masses to watch the performances with interest. Lu Rongjing, Fu Xishou, and other leaders let children sit on the front row to watch performances and had them on their laps.

During the garden celebration activities, Lu Rongjing, Fu Xishou, and other leaders told reporters: Today, we are especially happy to celebrate National Day together with the masses in the garden. Over the past 45 years since the founding the PRC, Anhui has made great achievements in various fields, like other places in the country. On the day of national celebration, we wish to extend our festival greetings to people of the whole province on behalf of the provincial party committee and the provincial government.

The Fourth Plenary Session of the 14th CPC Central Committee, which concluded not long ago, is an important meeting held at the crucial moment of our country's

reform and construction with overall and long-term significance. We must seriously study, penetratingly understand, and fully implement the guidelines of the plenary session, do a still better job in various fields, further accelerate the pace of reform, opening up, and the modernization drive, and enable people to live more happily with greater satisfaction.

Fujian Boosts Export-Oriented Agriculture

OW1810042394 Beijing XINHUA in English 0309
GMT 18 Oct 94

[FBIS Transcribed Text] Fuzhou, October 18 (XINHUA)—Southeast China's Fujian Province has absorbed overseas investment totalling 700 million U.S. dollars for its agricultural development.

A provincial official in charge of agriculture said that Fujian has imported 1,100 species of improved animals and plants from over 30 countries and regions and 2,800 sets of advanced equipment, and set up a number of commodity production bases so far.

To upgrade the traditional agriculture, Fujian has established four experimental zones, which have used overseas investment amounting to 300 million U.S. dollars. The zones export more than one billion yuan worth of goods a year.

Encouraged by the government, rural villages have cooperated with overseas business people in tapping local natural resources to boost exports.

Fujian Ports Link Province With 60 Countries

OW1710151494 Beijing XINHUA in English 1450
GMT 17 Oct 94

[FBIS Transcribed Text] Beijing, October 17 (XINHUA)—Southeast China's Fujian Province has opened 45 ports to the outside world, which have helped boost the province's foreign trade, according to last week's CHINA COMMUNICATIONS NEWS, which appeared here today.

All these ports involved, the paper said, except the ones in Xiamen, one of China's flourishing special economic zones, and Fuzhou, the provincial capital, have been opened since 1978.

According to the paper, these ports have started more than 160 shipping routes which link the province with more than 60 countries and regions in Asia, Europe and America.

In 1993, these ports handled 8.18 million tons of foreign trade commodities, accounting for 30 percent of the total handled by all ports in the province.

Jiangsu Court Orders Execution of Former Official

OW1710142994 Nanjing XINHUA RIBAO in Chinese 8 Oct 94 p 1

[“Nantong Sentences Three ‘Corrupt Officials’ at First Trial”]

[FBIS Translated Text] The Nantong City Intermediate Court announced, at the first trial, verdicts on a batch of serious economic criminals and criminal offenders, including several bribe-taking senior officials on the morning of 7 October.

Song Jueping, former deputy secretary general of the city government, was sentenced at the first trial to five years and six months in prison for taking 15,906.9 yuan and \$900 in bribes. Liang Zhinan, former deputy director of the city public security bureau, was sentenced at the first trial to five years in prison for taking 11,000 yuan and \$700 in bribes. Chen Weihua, former deputy director of the city public security bureau's vehicle administration and deputy director of the city government's reception center, was sentenced to die at the first trial for taking the advantage of his positions in handling vehicle and driver's licenses in accepting 362,500 yuan and \$1,000 in bribes.

Jiangsu Steps Up Economic Exporting

OW1810065894 Beijing XINHUA in English 0623
GMT 18 Oct 94

[FBIS Transcribed Text] Nanjing, October 18 (XINHUA)—Jiangsu, China's leading economic giant, is becoming more and more active on the international market in the course of boosting its economy.

According to the latest statistics, the province's industrial production and foreign trade are soaring this year in line with both domestic and international needs.

The industrial output value in the first nine months of this year rose by 24.8 percent over the same period of last year. Among this, the gross output of state industries was up by 11 percent. Large and medium-sized state enterprises produced 16.2 percent more in terms of output value, higher than the national average.

All along, this east China province has paid top attention to foreign economic and trade cooperation.

It has implemented the ISO-9000 series of international standards in an all-round way to improve the quality of its export-oriented goods, constantly increased product varieties and enhanced after-sale services.

Of the goods exported by the province, 80 percent are manufactured products.

The export volume of motor-driven tools, internal-combustion engines, digital-control machine tools, engineering machinery, textile machinery and complete sets of equipment has registered a big increase, making Jiangsu China's third largest export base of machinery and electrical appliances.

Setting up 70 trading organizations and offices in more than 20 countries and regions including the United States, Japan, Germany, Chile and Hong Kong, Jiangsu

has expanded trade relations with 160 countries and regions. The number of its enterprises overseas has amounted to 400.

Jiangsu has formed a multi-channel foreign trade pattern. It has about 300 enterprises and organizations which are entitled to engage in foreign trade.

A survey shows that the province exported 5.67 billion U.S. dollars worth of goods in the January-September period, up 38.6 percent over the same period of last year, and imported 2.33 billion U.S. dollars worth of goods, up 36.7 percent.

Its improved investment conditions have attracted companies from more than 100 countries and regions and 50 trans-national corporations.

By the end of last month, the province had approved the establishment of 23,548 foreign-funded enterprises involving a total investment of 24 billion U.S. dollars. Actual overseas investment reached 7.35 billion U.S. dollars.

Of these enterprises, a provincial official in charge of foreign investment noted, more than 900 have an investment exceeding 10 million U.S. dollars each.

To attract more foreign investment, Jiangsu has set up 11 state development zones and 52 provincial development parks. Included are the Suzhou Industrial Zone, the Coastal Economic and Technological Development Zone, the New and High-Tech Industrial Development Zone, the Tourism and Holiday Zone and the Free Trade Zone.

So far, more than 10 billion yuan have been used in developing 179 square kilometers of land in these zones, which are provided with fine conditions for constructing industrial projects.

By the end of June this year, the official said, about 9,000 enterprises had settled down in these zones, and 5,200 of them had gone into production.

These enterprises have generated an industrial output value totalling 18.3 billion yuan and exported 1.07 billion U.S. dollars worth of goods so far.

Jiangsu County Executes Two for Murder

OW1710121394 Nanjing XINHUA RIBAO in Chinese 8 Oct 94 p 3

[By Chen Guohua (7115 0948 5478) and Xu Jianbing (6079 1696 0365): "Two Murderers of Martyr Gong Guoliang Are Executed"]

[FBIS Translated Excerpt] In the wake of the major murder and theft case in Sheyang County last 12 April, the people, while cherishing the memory of martyr Gong Guoliang, had been looking forward to justice to be brought to his murderers. On 29 September, the Yancheng City Intermediate People's Court held a public trial in Sheyang County to announce and enforce

the Provincial Higher People's Court's death sentence on Wu Hao and Peng Jianming, two murderers of the Sheyang County Taxation Bureau security guard Gong Guoliang. [passage omitted]

After the public trial, robber-thief-murderers Wu Hao and Peng Jianming were escorted to the execution ground and were executed by shooting. Nearly 10,000 people attended the trial. As the criminals were brought to justice, people invariably cheered.

Shandong Leader Gives Cotton Purchase Directive

SK1810095194 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 14 Oct 94

[FBIS Translated Text] Jiang Chunyun, secretary of the provincial party committee, and Governor Zhao Zhihao jointly sent a letter on 14 October to the secretaries of party committees of cities, prefectures, and counties in the cotton producing localities across the province; as well as to the mayors, commissioners, and heads of these cities, prefectures, and counties. In their letter, they put forward their opinions on purchasing cotton.

The letter states: The successful purchase of a bumper cotton harvest this year is an important task for the leadership at all levels and for cotton productive peasants across the province. This year, the CPC Central Committee and the State Council have made a policy decision to impose restrictions on cotton markets and to unify state cotton purchasing. Meanwhile, in order to bring into play the enthusiasm of cotton producing peasants in selling their cotton to the state, the state has upgraded the cotton purchase price. It also adopted a decision recently on paying 14 yuan in awards for each dan of cotton sold by peasants to the state. Overall, the current prices of grains and cotton are relatively rational. The CPC Central Committee and the State Council are placing great hopes on Shandong in the cotton purchase. Vice Premier Zhu Rongji personally came to the province to inspect the provincial work in purchasing cotton and gave great encouragement in this regard. Since the initial stages of purchasing cotton, the work undertaken by the cotton productive localities for the cotton purchase according to the arrangements made by the central and provincial authorities has been advantageous. Although some localities and cotton productive peasants are enthusiastic in selling their cotton to the state, the province's progress in purchasing cotton is not ideal when judged from the purchase situation in the period. By 13 October, the province only purchased 1.17 million dan of cotton and is lagging far behind economic provinces and autonomous regions, including Xinjiang, Jiangsu, Hubei, and Anhui. Quite a large number of cotton producing peasants are still adopting a wait-and-see attitude regarding the purchase of the cotton. Few localities have sold their cotton by falsely upgrading the grade or price. How the market is managed does not conform with principles. Leading personnel in some localities have not concentrated their efforts on the cotton purchase and not done their best in the work of

organizing and motivating the cotton productive peasants to sell their products to the state. We are very anxious regarding such phenomenon. In coping with the slow progress in purchasing cotton across the province, the provincial party committee and the provincial people's government urge the cotton productive localities to again motivate the cotton producing peasants; to make arrangements again for purchasing; to adopt stronger and more powerful measures; to adopt every possible way and means to accelerate the progress of cotton purchase; and to resolutely purchase the cotton that should be sold to the state so as to ensure the fulfillment of the annual tasks of cotton purchase and allocation. Units at all levels throughout the province have had a good tradition with regard to paying attention to the whole situation and taking the whole situation into consideration, which has never been overwhelmed by any difficulty. We are convinced that only by conducting the work in a down-to-earth manner and further arousing the broad masses of cotton productive peasants, will the province as a whole, be able to ascertain that it accelerates its progress in purchasing cotton and successfully fulfills the annual tasks of cotton purchase and allocation this year.

Shandong Reports Increase in Fire Accidents

SK1810034494 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 15 Oct 94

[FBIS Translated Text] Since the beginning of October 1994, Shandong Province has successively suffered seven serious and appalling fire accidents, which have directly caused more than 4.4 million yuan in economic losses. Losses caused by the fire accidents in the Jingzhou chemical industrial plant, the province-owned XINHUA printing house, the Tengzhou cigarette factory, the Zhichuan organic chemical industrial plant, and the manufacture plant in Zhian district of Penglai city, are especially serious. Major reasons for these fire accidents are that some enterprises neglect their production safety, poor management, and these enterprises have not implemented the technologies and measures of fire prevention. The provincial public security and fire fighting departments remind relevant departments and the vast number of people to resolutely heighten their guard against fires.

Particularly as winter is approaching, special efforts should be made to enhance the safety in power and fire utilization.

Huang Ju Gives National Day Speech in Shanghai

OW1810103794 Shanghai WEN HUI BAO in Chinese 1 Oct 94 p 1

[Speech by Shanghai Mayor Huang Ju at the National Day reception in Shanghai on 30 September]

[FBIS Translated Text] Ladies, gentlemen, and friends:

We are joyfully gathering here today to celebrate the 45th anniversary of the founding of the PRC. On this happy occasion, on behalf of the Shanghai municipal people's government, let me extend a warm welcome to you, the distinguished guests, and holiday greetings to all Shanghai citizens!

In the 45 years since the founding of New China, the people of Shanghai have displayed the spirit of plain living and hard struggle and worked vigorously under the CPC's leadership to overcome obstacles in their march forward. As a result, they have quickly transformed a former semicolonial, semifeudal "adventurists' paradise" into a new socialist Shanghai full of vitality and energy.

Since the beginning of the nineties, especially since the publication of the important speech by Comrade Deng Xiaoping during his inspection tour of south China, Shanghai has established the strategy of developing the Pudong New Area and making itself one of the international economic, financial, and trade centers and has entered a new historical period of revitalization and development. The economy is in a sustained, rapid, and healthy development. After two years of double-digit growth, it is expected to grow at about 14 percent this year. The city's appearance has undergone remarkable changes. It invested more in urban infrastructure between 1991 and 1993 than it did in the entire eighties. It has completed a number of major urban construction projects, including the Nanpu and Yangpu bridges. It has notably strengthened its role as a central city and has established a modern market framework. It has set another record in foreign investment and exports since the beginning of this year. The Pudong New Area has completed infrastructural construction and has entered a new stage of functional development. Construction of the four key development subdistricts is proceeding at a high speed. More than 5,000 domestic and foreign enterprises have moved to the area. At the same time, Shanghai has strengthened the building of spiritual civilization and maintained social stability. The people are enjoying higher living standards, and the quality of life has gradually improved. All this reflects the tremendous eye-catching changes now taking place in Shanghai.

Ladies, gentlemen, and friends: The tremendous achievements scored by Shanghai cannot be separated from the joint efforts of the people throughout the municipality; from the support of the central departments, fraternal provinces and municipalities, the People's Liberation Army, and the armed police force; and from the support of foreign friends, compatriots in Hong Kong, Macao, and Taiwan, and Overseas Chinese. Here, on behalf of the municipal people's government, I express heartfelt thanks to you!

Looking to the future, we see the approach of a new century. An open Shanghai attaches great importance to increasing friendship and cooperation with other countries in the world. Let us join hands and march together toward a bright future.

Now, I propose a toast to the PRC's prosperity and to the health and success of our distinguished guests and friends!

Shanghai Rules on Product Quality Control

OW1610131894 *Shanghai JIEFANG RIBAO* in Chinese
3 Oct 94 p 3

[“Shanghai Municipal Regulations on Supervision Over Product Quality—Adopted at the 12th Meeting of the 10th Shanghai Municipal People's Congress Standing Committee on 26 August”]

[FBIS Translated Text] **Chapter I. General Principles**

Article 1. These regulations have been formulated in accordance with the “Law of the People's Republic of China on Product Quality” (hereinafter referred to as the “Product Quality Law”) and other laws and regulations, and in light of Shanghai's reality, in order to tighten supervision and control over product quality, define responsibilities for product quality, protect the legitimate rights and interests of users and consumers, and safeguard social and economic order.

Article 2. These regulations must be observed in producing and selling products within the municipal boundaries.

The products referred to in these regulations are processed and manufactured goods intended for sale.

These regulations do not apply to construction projects.

Article 3. The Shanghai Municipal Technology Supervision Bureau (hereinafter referred to as the “municipal technology supervision bureau”) is the administrative department in charge of supervising and controlling product quality in Shanghai, and is responsible for organizing and coordinating work to supervise product quality throughout Shanghai.

District and county technology supervision departments shall do a good job of supervising product quality under the municipal technology supervision bureau's guidance in accordance with the principle of work-sharing based on their duties.

Industrial, commercial, commodity inspection, public health, and other administrative departments shall do a good job of supervising product quality within the scope of their duties.

Departments in charge of various industries shall be responsible for controlling the quality of products in their respective industries.

Article 4. The adoption of scientific quality control methods and advanced science and technology shall be encouraged. Enterprises shall be encouraged to raise their product quality to or beyond advanced domestic and international standards. Advanced units and individuals in product quality control, as well as units and individuals whose product quality has reached advanced

international standards and who have achieved remarkable results in this respect, shall be commended and awarded.

Chapter II. Administrative Supervision

Article 5. A system for certifying enterprise quality regimes and product quality shall be actively promoted.

Enterprises may apply, on a voluntary basis, with relevant certification agencies for certifying their quality regimes and product quality in accordance with the "Product Quality Law."

Article 6. Shanghai may implement the system of granting production permits for major products not included in the state's list of products for which production permits are required, and for products that affect personal safety and health.

The Shanghai Municipal People's Government shall formulate measures for implementing the system of granting production permits.

Article 7. Shanghai shall supervise product quality through spot checks and regular inspections, with emphasis on the former. It shall also institute a supervision and inspection system under which inspection findings will be published regularly.

Where other laws and regulations contain other provisions regarding the supervision and inspection of product quality, it shall act in accordance with the relevant laws and regulations.

Article 8. The municipal technology supervision bureau shall formulate and relay, under unified arrangements, municipal plans for supervising and inspecting product quality.

District and county technology supervision departments shall be responsible for formulating plans for supervising and inspecting the product quality of enterprises in their administrative divisions. They shall then report their plans to the municipal technology supervision bureau for filing purposes.

Article 9. National, sectoral, or local standards shall serve as the basis for inspecting product quality.

In the absence of the aforementioned standards, products shall be inspected on the basis of their stated quality standards.

Where the quantity of products falls short of the state sampling figure, the products shall be inspected in accordance with the sampling principle set forth by the municipal technology supervision bureau.

Article 10. After supervising and inspecting product quality, technology supervision departments shall advise the units and individuals concerned of their findings.

The municipal technology supervision bureau shall publish the findings of its product quality inspections on a regular basis.

Article 11. Agencies that undertake product quality inspections must possess the necessary conditions and capabilities for carrying out inspections. They may carry out inspections only after they have passed the municipal technology inspection bureau's evaluations. They shall carry out inspections in accordance with the prescribed procedures and methods, may not falsify inspection data and conclusions, and shall be legally accountable for their inspection reports.

Where other laws and regulations contain other provisions regarding product quality inspection agencies, these agencies shall act in accordance with the relevant laws and regulations.

Article 12. Expenses needed for supervising spot checks shall be allocated from financial budgets at the same level and shall not be collected from product manufacturers.

Expenses for regular inspections shall be handled according to the relevant state and municipal provisions.

Article 13. Product quality control departments shall exercise the following powers and functions when supervising and inspecting product quality:

(1) Looking up and copying relevant vouchers, receipts, account books, advertisements, commercial letters and telegrams, and other related materials.

(2) Entering production ground and product warehouses or storages; and

(3) Sealing up or withholding products which may have serious quality problems, and making decisions on disposing of the products within the time limit.

Chapter III. The Responsibilities and Duties of Producers and Sellers

Article 14. Producers must be responsible for their product quality.

Product quality must meet the following standards:

(1) It must not have unreasonable liabilities hazardous to personal safety or the safety of property. Where state standards for protecting human health, personal safety, and the safety of property exist, it must meet such standards.

(2) Unless explanations are provided for functional deficiencies, it must be equipped with the functions typical of such products.

(3) It must meet product standards indicated on products or their packing, or the condition of quality explained with product instructions or sample material objects.

Article 15. Labels on products or their packing must contain the following information:

- (1) Proof of passing product quality inspection.
- (2) Product name and the name and address of manufacturers in Chinese.
- (3) Product specification, grade, and names and amounts of main ingredients, when product features and the purpose of using the product require such information be put on labels.
- (4) Date of production, period for safe use, and date of expiration when products must be used within a time limit.
- (5) Warning mark or instruction in Chinese when improper use can easily damage the product or may become hazardous to personal safety and the safety of property; and
- (6) License or production permit number, when a license or permit is needed for production.

Product labels shall not be necessary for bare cargoes or other bare products whose features preclude labelling.

Article 16. Instructions on installation, usage, repairs, and maintenance shall be provided for machinery, equipment, instruments, meters, and durable consumer goods of intricate structure.

Article 17. Products that are highly poisonous, dangerous, and fragile; that cannot be stored upside down during transportation; and that have other special requirements must be packaged in accordance with the relevant requirements. They shall have warning labels or warnings written in Chinese that enumerate matters to be heeded during transportation.

Article 18. The names and places of origin of import products sold by sellers shall be clearly indicated in Chinese, as shall the names and addresses of the importers or sole distributors. Chinese-language instructions shall be furnished for products that affect human health, personal safety, and property security, or that have special usage and repair requirements. The expiration dates shall be indicated in Chinese on products that must be used within a certain period. The names and addresses of the assembling or sub assembling factories shall be indicated in Chinese on products assembled or sub assembled with imported spare parts or on their packages.

Article 19. Sellers shall implement the system of inspecting and accepting import products, under which they shall examine product certificates and the labels outlined in Article 15 of these regulations.

Sellers shall take safekeeping measures as required by special product features to maintain the quality of the products they sell.

Article 20. Producers and sellers may not produce or sell the following products:

- (1) Products that must be eliminated according to state decrees.
- (2) Products that have passed their expiration dates or gone bad.
- (3) Products with false places of origin or those carrying fake factory names and addresses or illegally using the names and addresses of other factories.
- (4) Products carrying or illegally using fake certification marks, brand names, and other quality benchmarks.
- (5) Counterfeit, inferior, and substandard products that are passed off as genuine, quality, and up-to-standard goods by mixing in impurities and fake ingredients.

Article 21. Sellers shall be responsible for the quality of their products before selling them.

In any of the following circumstances, sellers shall be responsible for repairing, replacing, or retaking the products they sell. They shall compensate users and consumers if the latter incur losses.

- (1) Failing to provide advance explanations for products that cannot be used as intended.
- (2) Failing to comply with product standards indicated on their products or the packages thereof.
- (3) Failing to meet the quality indicated in the instructions of their products or shown to be possessed by samples.

If the producers or other sellers who supplied goods to the sellers in question (hereinafter referred to as suppliers of goods) are at fault, the sellers in question have the right to seek compensation from the producers and suppliers.

Article 22. Where defective products cause personal injuries or property damage, the victims may seek compensation from either the producers or sellers. If the producers are at fault and the sellers have to make compensation, the latter have the right to seek compensation from the producers or importers after making amends. The importers have the right to seek compensation in accordance with the law from the suppliers of the import products. If the sellers are at fault and the producers have to make compensation, the latter have the right to seek compensation from the former after making amends.

Article 23. Units or individuals who provide sellers with premises and facilities, or help organize exhibitions of their products, shall be responsible for the quality of the products in question if they cannot identify the producers and sellers of defective goods or if users and consumers cannot locate the producers and sellers even if the latter can be identified.

No units and individuals may provide premises and facilities for the production and sale of the products outlined in Article 20 of these regulations. Those who supply the premises and facilities shall report to the departments concerned if they detect illegal acts on the part of users. They may not condone or protect the users.

Article 24. In printing or making product labels, printers shall verify relevant certificates, and shall not print or supply false labels or provide product labels to people other than their consignors.

Chapter IV. Social Supervision

Article 25. Users and consumers have the right to inquire of producers and sellers and to complain to the technology supervision department and the administration for industry and commerce about questions related to product quality. Producers and sellers as well as the departments concerned should take up such inquiries and complaints and handle them in a responsible manner.

Article 26. Social organizations protecting consumers' rights and interests can recommend problems of product quality reported by consumers to the departments concerned for handling; can join relevant administrative departments in supervising and inspecting product quality; and can support consumers in filing lawsuits to the people's court concerning damage caused by poor product quality.

Article 27. Press units and other mass media shall exercise social supervision over product quality. They shall use media as a tool to educate users and consumers in knowledge about product quality, to publicize laws and regulations concerning product quality control, and to expose irregularities in the production and marketing of products.

Article 28. All units and individuals have the right to inform relevant departments about discoveries of the production and marketing of products prescribed in Article 20 of these regulations. When an informant requests confidentiality, the relevant department must comply with the request. The departments concerned should reward units and individuals who perform meritorious services in informing authorities of irregularities.

Chapter V. Legal Responsibilities

Article 29. Manufacturers of products that fail to meet the state standards, standards for various trades and professions, and local standards for protecting human health, personal safety, and the safety of property, shall be ordered to stop production; have illegally produced products and sales revenues confiscated; be given a fine equivalent to more than one time and less than five times the sales revenues; and be liable to have their business license revoked. The relevant administrative department can give disciplinary sanction to managers of production. Those who are directly responsible for production shall be given a fine of more than 1,000 yuan

and less than 10,000 yuan. Where a crime is committed, offenders shall be penalized according to the "National People's Congress [NPC] Standing Committee's Decision on Punishing Offenses in the Production and Marketing of Fake and Substandard Commodities."

Article 30. Sellers of products that fail to meet the state standards, standards for various trades and professions, and local standards for protecting human health, personal safety, and the safety of property, shall be ordered to stop marketing and to recall the products already sold within a time limit; and shall have the products confiscated.

Those who are in one of the following circumstances shall, in addition to the penalty prescribed in the preceding paragraph, have their sales revenue confiscated, be given a fine equivalent to more than one time and less than five times their sales revenue, and be liable to have their business license revoked. The relevant administrative department can give disciplinary sanction to marketing managers. Those directly responsible for marketing shall be given a fine of more than 1,000 yuan and less than 10,000 yuan. Where a crime is committed, offenders shall be penalized according to the "NPC Standing Committee's Decision on Punishing Offenses in the Production and Marketing of Fake and Substandard Commodities":

- (1) Directly or indirectly taking part in the processing or manufacturing of such products.
- (2) Capable of recognizing that products fail to meet safety and sanitation requirements of trades and professions.
- (3) Continuing to sell products which the state or the municipality have already publicly announced are not to be marketed.
- (4) Continuing to sell products that users and consumers have already informed sellers are hazardous; and
- (5) Other proof that sellers know and should know that products fail to meet quality standards.

Article 31. Producers and sellers of products that are to be eliminated by state decree shall be ordered to stop producing and selling such products, and their illegally manufactured and sold products and sales proceeds shall be confiscated. They shall concurrently be fined an amount ranging from twice to six times their sales proceeds. Their business licenses may be revoked. The responsible persons may be fined 1,000 yuan to 10,000 yuan.

Article 32. Sellers of products which have passed their expiration dates or gone bad shall be ordered to stop selling such products, and their illegally sold products and sales proceeds shall be confiscated. They shall concurrently be fined an amount ranging from twice to six times their sales proceeds. Their business licenses may be revoked. Relevant administrative departments may

discipline them, and levy fines ranging from 1,000 yuan to 10,000 yuan on the responsible persons. If the actions constitute crimes, criminal responsibility shall be investigated in accordance with the law.

Article 33. Illegally sold products and sales proceeds shall be confiscated in the case of selling products with false places of origin or products that carry false factory names and addresses, illegally use other factory names and addresses, and carry false or illegally use certification marks, brand names, quality certificates, and other quality benchmarks.

Producers and sellers who counterfeit the places of origin of their products, and imitate or illegally use other factory names and addresses, certification marks, brand names, quality certificates, and other quality benchmarks shall be ordered to openly remedy their actions, and have their illegally produced and sold products and sales proceeds confiscated. They may be concurrently fined an amount ranging from twice to four times their sales proceeds. The responsible persons may be fined 500 yuan to 5,000 yuan.

Imitators or illegal users of production permit numbers shall be dealt with in accordance with relevant provisions.

Article 34. Illegally sold products and sales proceeds shall be confiscated in the case of selling counterfeit, inferior, and substandard products that are passed off as genuine, quality, and up-to-standard goods by mixing in impurities and fake ingredients.

Producers and sellers of counterfeit, inferior, and substandard products that are passed off as genuine, quality, and up-to-standard goods by mixing in impurities and fake ingredients shall have their products and sales proceeds confiscated, and be concurrently fined an amount ranging from twice to six times their sales proceeds. Their business licenses may be revoked. Relevant administrative departments shall discipline them, and fine the responsible persons 1,000 yuan to 10,000 yuan. If the actions constitute crimes, punishment shall be meted out pursuant to the "Decision of the National People's Congress Standing Committee on Punishing the Crime of Producing and Selling Inferior Commodities."

Article 35. The work units of those who peddle or buy the products listed in Article 20 of these regulations through bribery or other illegal means, or competent departments at higher levels, shall discipline the individuals concerned and confiscate the illegal proceeds if the actions do not constitute crimes. They may concurrently impose fines ranging from 1,000 yuan to 10,000 yuan. If the actions constitute crimes, they shall investigate criminal responsibility in accordance with the law.

Article 36. Products whose labels do not comply with those specified in Articles 15 through 18 of these regulations shall have their labels corrected. If the circumstances are serious or if no corrective action is taken, the

production and sale of those products shall be halted. Fines that range from 15 percent to 20 percent of the sales proceeds may also be levied concurrently, and the responsible persons may be fined 500 yuan to 1,000 yuan.

Printers of labels who violate the provisions in Article 24 of these regulations shall be ordered to stop printing and supplying the labels, and their illegally printed or supplied products and sales proceeds shall be confiscated. They may concurrently be fined an amount ranging from twice to six times their sales proceeds, and their business licenses may be revoked. The responsible persons may be fined 1,000 yuan to 10,000 yuan. If the actions constitute crimes, criminal responsibility shall be investigated in accordance with the law.

Article 37. Remedial action shall be ordered for unexplained product defects, and sales proceeds may be confiscated. Fines not more than twice the sales proceeds shall be concurrently levied. The responsible persons may be fined 500 yuan to 2,000 yuan.

Article 38. Remedial action shall be ordered for falsified inspection data or conclusions, and fines ranging from twice to four times the inspection fees shall be levied. The responsible persons may be fined 1,000 yuan to 5,000 yuan. If the circumstances are serious, the inspection certificates for product quality or the business licenses may be revoked. If the actions constitute crimes, the persons directly responsible shall be investigated on criminal grounds in accordance with the law.

Article 39. Where units or individuals subject to supervision and inspections refuse to furnish, or conceal, transfer, or destroy the documents specified in item (1) of the first paragraph of Article 13 of these regulations, the units concerned may be fined 1,000 yuan to 50,000 yuan, while the responsible persons may be fined 1,000 yuan to 5,000 yuan.

Where units or individuals subject to supervision and inspections unseal or transfer, without authorization, products that have been sealed for safekeeping, the units concerned may be fined an amount ranging from twice to six times the proceeds that may be derived from selling such products, while the responsible persons may be fined 1,000 yuan to 10,000 yuan.

Article 40. Sellers who violate the provisions in the second paragraph of Article 21 of these regulations shall be ordered to take remedial action, and may be fined an amount ranging from twice to four times the sales prices [xiao shou jia 6906 0786 0116 as received] of relevant products.

Article 41. Providers of premises and facilities who violate the provisions in the second paragraph of Article 23 of these regulations shall have their illegal incomes from providing such premises and facilities confiscated. They may be fined an amount ranging from twice to six

times their illegal incomes. The responsible persons may be fined 500 yuan to 5,000 yuan.

Article 42. Fines ranging from 1,000 yuan to 100,000 yuan may be levied for illegal acts specified in these regulations if there are no sales proceeds or if sales proceeds cannot be accurately established because sellers do not truthfully provide relevant information.

Article 43. Departments that supervise product quality may mete out punishment on the spot against violators of the provisions in these regulations, provided the fines involved are less than 500 yuan, the facts are plain, and the persons being punished raise no objections.

Article 44. In meting out administrative penalties to the parties concerned, departments that supervise product quality shall produce documents containing the decisions on such penalties. In collecting fines and confiscating funds, they shall produce receipts printed under the municipal finance department's unified plans. Fines and funds collected shall be delivered to government coffers in accordance with relevant provisions.

Article 45. Industrial and commercial departments shall decide on administrative penalties provided for in these regulations that will result in the revocation of business licenses. Technology supervision departments or industrial and commercial departments shall decide on other administrative penalties within the limits of their powers. Where other laws and regulations contain other provisions regarding departments that mete out administrative penalties, the relevant laws and regulations shall be followed.

The same illegal act may not be punished more than once.

Article 46. In conducting inspections as part of law enforcement, people who work in departments that supervise product quality shall produce documents attesting to their administrative duties in law enforcement. They shall exercise their powers to supervise and inspect in accordance with prescribed procedures and methods.

Article 47. The parties concerned may settle civil disputes arising from product quality problems through consultation or mediation. If they do not wish to settle the disputes through consultation or mediation, or if the attempts at consultation or mediation fail, the disputes may be referred to arbitration organs for arbitration provided that the parties concerned agree to this arrangement. If the parties concerned have failed to reach an agreement, lawsuits may be filed with people's courts.

Article 48. If the parties concerned do not agree with administrative penalties imposed upon them, they may apply for reconsideration with departments immediately above those that make the decisions on such penalties within 15 days of receiving the decisions. They may also file lawsuits directly with people's courts within 15 days of receiving the decisions.

Departments that reconsider the decisions on administrative penalties shall make their own decisions within 60 days of receiving the applications for reconsideration. The parties concerned may file lawsuits with people's courts within 15 days of receiving the decisions on reconsideration if they do not agree with those decisions. If the departments that are supposed to reconsider the decisions on administrative penalties fail to render their own decisions within the prescribed periods, the parties concerned may file lawsuits with people's courts 15 days after the deadlines have passed.

Departments that make the decisions on administrative penalties may apply for compulsory enforcement with people's courts if the parties concerned do not apply for reconsideration after the deadlines have passed, and, at the same time, also fail to file lawsuits with people's courts or comply with the decisions.

Article 49. Where people engaged in production quality supervision and control abuse their authority, neglect their duties, practice favoritism, commit fraudulent practices, and cover up illegal acts, the departments where they work or higher competent departments shall mete out disciplinary action. If their actions constitute crimes, their criminal responsibility shall be investigated in accordance with the law.

Article 50. Where state functionaries abuse their powers to protect or condone producers and sellers of the products outlined in Article 20 of these regulations, their work units or the departments at the next higher level shall mete out disciplinary action. If their actions constitute crimes, their criminal responsibility shall be investigated in accordance with the law.

Chapter VI. Supplementary Provisions

Article 51. The municipal technology supervision bureau shall be responsible for interpreting specific issues pertaining to the application of these regulations.

Article 52. These regulations shall take effect on 1 October 1994.

Qingdao Overseas Investment Expands 'Remarkably'

OW1810093694 Beijing XINHUA in English 0913
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—Foreign-oriented economy is expanding remarkably in Qingdao, a coastal resort city in east China's Shandong Province, evidenced by 135 foreign-funded enterprises each with an investment of 10 million U.S. dollars.

Statistics shows total overseas investment in the foreign-funded enterprises registered in the first half of this year amounted to some one billion U.S. dollars.

Japan's Mitsubishi, among many other world giants, has gained footholds in the city.

Till June this year, 2,853 foreign-funded enterprises have been authorized to operate in Qingdao with a total investment of 5.75 billion U.S. dollars.

The overseas investment has been involved in industry, agriculture, transportation and some other fields.

Following the development of real estate, building decoration has turned out to be a favorite investment item. Thirtyone related enterprises have been set up from January through June.

Qingdao also helps to retool its outdated enterprises with overseas investment.

Zhejiang Enhances Efforts To Improve Legislation

OW1810080194 Beijing XINHUA in English 0720
GMT 18 Oct 94

[FBIS Transcribed Text] Hangzhou, October 18 (XINHUA)—Zhejiang, a prosperous coastal province has been enhancing its efforts in improving legislation in a bid to provide better environment for its economic development.

Over the past 15 years, the legislators of this province has formulated and approved 134 laws and regulations concerning politics, economy, culture, education, public health, science and technology, and public security.

In the past few years, the pace of legislation has been markedly stepped up. In the first eight months of this year alone, 15 laws and regulations were announced, according to provincial legislators.

Though an economically developed province, legislation in Zhejiang was practically none 15 years ago. Since 1979, as an important step of the political reform, the provincial people's congress, the legislature, has been involved in an all-round law-making efforts, since it is considered highly necessary for a fast-changing society.

A major economic player of China, the province has put much stress on making economic laws and regulations. Of the 134 promulgated laws and regulations, 78 are concerning the economy.

One problem facing Zhejiang as a result of the accelerated economic development was the constant decrease of arable land, which is especially severe for a province with a high population density. The province decided to resort to law to solve the problem. In 1981, the legislature promulgated regulations concerning land management, which introduced the levy of royalties from land users.

Over the past decade, the provincial government, which is the land owner, has levied some 500 million yuan (about 52 million U.S. Dollars) of land royalties, and put aside the funds for the reclamation and transformation of land, which have compensated for the loss of arable land, provincial officials said.

A pioneer in developing the private sector economy, Zhejiang boasts more than a million household- and privately-owned businesses, ranking high in the country. While bringing job opportunities and wealth, these businesses, however, are avid for tax evasion. It is the legislation that helps the province to recover some 1.6 billion yuan from tax dodgers of the private sector every year.

In 1992, the provincial legislature initiated China's first regulations concerning crack down on fake and inferior products, which have become rampant not only in Zhejiang, but elsewhere in the country.

The mushrooming of development zones is also a major concern of the legislature, which has already worked out regulations for the Ningbo Bonded Zone, and for the Xiaoshan Economic and Technological Development Zone. These legislation provides legal basis ranging from land exploitation, soliciting overseas capital, to enterprise management.

A family-planning law which followed the land regulations has helped the populous province to reduce birth by over 10 million people in the past decade.

A number of new legislation concerning markets, and social security are expected to come out next year, provincial legislators said.

Zhejiang Issues Circular on Taxation, Prices

OW1810084194 Hangzhou ZHEJIANG RIBAO in
Chinese 3 Oct 94 p 1

[By correspondents Qi Guoyu (2058 0948 5940) and Wen Huairong (3306 2037 2837): "The Provincial Government Has Made Arrangements for the General Inspection of Taxation, Financial Work, and Commodity Prices"]

[FBIS Translated Text] The provincial government recently issued a circular on seriously carrying out the 1994 general inspection of taxation, financial work and commodity prices. According to the circular, this year's general inspection will be divided into three phases, namely self-examination, thorough inspection of selected key units, and summing up results and rectification. Self-examination should, in the main, be completed by 20 October; the thorough inspection of selected key units should be conducted from mid October to the end of this year; and the work of summing up results and rectifying irregularities should be completed before the end of February next year.

The provincial government's "circular" points out: Various localities should make overall arrangements for the in-depth inspection of selected key units in accordance with the requirements of the State Council. In particular, stress should be laid on inspecting enterprises with poor management and serious operational losses, units which wantonly raise prices and collect fees, and units which repeatedly violate regulations after being reported by the

masses. Accounting, auditing, and commodity price departments should be organized to inspect selected key enterprises in a thorough manner. In addition, members of the local people's congresses and committees of the Chinese People's Political Consultative Conference should be invited to take part in the general inspection in order to give full play to their role in supervising and taking part in administration. The provincial government will dispatch inspection work teams headed by cadres at department and bureau level to various places to supervise, guide, and promote the general inspection

The "circular" emphatically points out: Various localities should strictly adhere to the policy, handle acts of law and discipline according to the law, and guard against handling those cases too lightly. We must strictly handle cases of tax evasion which use illegal tactics in the name of tax and price reform, and cases of pushing up commodity prices which seriously harm interests of the state and masses according to the law. The responsible persons and persons in charge of enterprises and units which violate law and discipline will be investigated so as to affix their economic and administrative responsibility. We must severely punish those who forge, sell or steal special vouchers for value added tax and those who fraudulently request tax refunds for exports.

The "circular" asks various places to strengthen efforts in publicizing the general inspection, and to expose major and typical cases of irregularities through television and radio networks, and newspapers. We should also vigorously publicize those units which have abided by law and discipline for several consecutive years and, with the approval of concerned departments, exempt them from thorough inspection.

Central-South Region

Henan Official on Economic, Social Development

HK1710111894 Zhengzhou HENAN RIBAO in Chinese
31 Aug 94 p 2

[By reporter Zhang Bosen (1728 2672 2773): "Yang Xianming, Chairman of the Henan Provincial Planning and Economic Commission, Reports to the Second Plenary Session of the Ninth Meeting of the Eighth Provincial People's Congress Standing Committee, Saying That the Situation in Provincial Economic and Social Development From January to July Was Fine"]

[FBIS Translated Text] Yang Xianming, chairman of the provincial planning and economic commission, made a report on the morning of 29 August to the eighth provincial people's congress standing committee. He said: Since the beginning of this year, under the leadership of the provincial party committee and with the concern and support of the provincial people's congress and the provincial Chinese People's Political Consultative Conference, the whole province, cadres and people

alike, have been working hard to implement the general line put forward by the CPC Central Committee and the State Council of "seizing the opportunity, deepening reform, opening wider to the outside world, promoting development, and maintaining stability." They have correctly handled the relations among reform, development, and stability, worked hard for the realization of the 1994 National Economic and Social Development Plan approved at the second session of the eighth provincial people's congress, and vigorously carried out various major structural reforms. They have increased the vitality of economic development and promoted the rapid and healthy growth of the province's economy. According to estimates, in the first half of this year, the province's GDP amounted to 91.79 billion yuan, registering a 13.6 percent increase in terms of comparable prices over the corresponding period last year. To be more specific, the added value in primary industry was up by 1.5 percent, the secondary industry grew by 20.3 percent, and the tertiary industry by 13.2 percent. The overall situation in economic and social development was fine.

Yang said: There was a fairly good harvest of summer grain and the rural economy developed comprehensively. Statistics show that the total output of the province's summer grain reached 18.22 billion kg, a drop of 6.3 percent compared with last year. This is the second highest output in the province's history after 1993. The summer oil-bearing crops also won a bumper harvest with a total output of 280,000 tonnes. The overall situation in cotton production is better than last year and animal husbandry has been growing steadily. Forestry and fruit production and fishery have also recorded fresh development. In the first half of this year the province's total agricultural output value was 31.51 billion yuan, a rise of 1.7 percent over the same period last year. The township and town enterprises continued to demonstrate a momentum of fast growth.

In the industrial field, both production and sales made rapid headway, with the economic efficiency turning a favorable corner. From January to July the province's total industrial output value at or above the township level amounted to 106.58 billion yuan, reflecting a 21.1 percent growth as compared with the corresponding period last year. The realized output value already marketed reached 100.68 billion yuan, 20.7 percent more than the same period last year. The production-sales ratio was 94.5 percent. Take as an example the month of July, which does not incur the noncomparable factor owing to the implementation of the "two regulations," the profit realized in that month was 265 million yuan, recording a 3.5 percent rise over the same month last year, while the losses in that month was 48.25 million yuan, lower than the same month last year by 36.5 percent.

Investment in fixed assets grew in a steady way and the key construction projects made smooth headway. The consumption goods market continued to be brisk and the

market for the means of production tended to be stable. From January to July, the total amount of retail sales was 36.07 billion yuan throughout the whole province, registering an increase of 28 percent over the same period last year, or a 8.9 percent increase after adjustment for price increases. Consumption goods enjoyed an extensive ready market and the structure of consumption was further improved. The sales amounts of famous products, high-quality products, special products, and new products showed substantial growth. In the first half-year, the peasants' per capita investment in production was 98.7 yuan, a 42.6 percent rise over the same period last year or a 21.9 percent rise after allowing for price increases. Export and foreign trade also enjoyed a rather fast growth. Large and medium enterprises made full use of foreign investment for transformation and achieved fresh successes. From January to July, the province's total amount of exports was \$925 million, which was a 35.9 percent increase based on the low-speed growth in the two previous years. Exports by city and prefectural governments, enterprises, and foreign-funded enterprises also recorded fast growth, by 289, 590, and 198 percent respectively as compared with the corresponding period last year. At present there is a favorable trend that some powerful foreign corporations and consortia are buying the stock of our provincial enterprises and conducting joint ventures. From January to June, the province ratified 311 new foreign-invested enterprises with a total contracted investment of \$236 million, of which \$170 million has actually been utilized, an increase of 130 percent as compared with the same period last year; \$240 million of foreign government loans were used, which was 60 percent more than during the first half of 1993.

Fiscal revenue registered considerable growth and the financial situation developed smoothly and healthily. The setting up of provincial-level central tax and local tax institutions has been completed and no serious problems exist in carrying out the new tax system. A smooth transition has been basically realized and the fiscal budget has been implemented quite satisfactorily. From January to July, the total amount of provincial local taxes was 4.467 billion yuan, which in comparable terms was 35.3 percent higher than the same period last year and accounted for 60.9 percent of the budgetary task for the whole year. The fiscal expenditure in this period was 6.644 billion yuan, 23.4 percent higher than the corresponding period last year and accounting for 45.9 percent of the budgetary task for the whole year.

The social undertakings of various types developed continuously and the people's living standards and public order were improved. In the first six months, the province's birth rate was 7.68 per mille, slightly lower than the same period last year. Further development was also achieved in various social undertakings, including science and technology, culture, public health, physical education, broadcasting, television, and publishing. The standard and quality of life for both urban and rural residents have seen fresh improvements. The stern

crackdown on criminal offenses with the focus on punishing highway robbers and the anticorruption campaign have won new victories. As a result, the province's social order and public security have been significantly improved.

In the course of economic operations, Yang pointed out that some new contradictions and problems have emerged, which find major expressions in the following aspects:

1. Part of the state-owned enterprises suffer from operational difficulties and considerable deficits. By the end of June, there were 1,329 deficit-bearing state-owned industrial enterprises at or above the township level throughout the whole province, which surpassed the figure from the same period last year by 438. The deficit-bearing enterprises account for 34.9 percent of the total number of state-owned enterprises and the total deficits amount to 1.555 billion yuan, 5.1 percent more than the same period last year. By the end of July, the accumulated deficits of the province's budgetary industry reached 402 million yuan, which exceeded the planned figure for the whole year, i.e. 400 million yuan. In most enterprises, the economic efficiency is far from desirable. There are still many enterprises which have stopped production or are operating under capacity.

2. The market price increases are too sharp. From January to July, the retail price index throughout the whole province was 17.5 percent higher than the same period last year; the aggregate level of residents' consumption prices rose by 22.2 percent; and the prices of the means of agricultural production rose by 19.3 percent. At present, the excessive price increases have become an important problem affecting the overall economic and social situation and have aroused the close attention of all quarters.

3. The fiscal situation is still very difficult with sharp revenue-expenditure contradictions. In quite a number of cities, prefectures, and counties, the staff of government offices and institutions cannot get their pay on time. Most of the cities, prefectures, and counties have failed to carry out the wage-reform policy for government offices and institutions in time.

4. Part of the areas in the province have suffered serious natural calamities and the autumn crops are under serious threat. As indicated by the statistical data on 18 August, more than 37.5 million mu of autumn crops have suffered from drought, of which 19.2 million mu was seriously damaged and on 7.45 million mu the crops were practically ruined. In short, the agricultural production this autumn is confronted with a very severe situation.

In order to effectively solve the main contradictions and problems in current economic operations and to maintain the sustained, rapid, and healthy economic development of the province, Yang added, the efforts in the latter half of the year should be concentrated on the following items:

Further strengthen the opening drive and carry out the strategy of promoting the overall economic development by opening to the outside world.

Conscientiously do a good job in the production of grains, cotton, vegetables and major nonstaple food-stuffs, with great efforts devoted to developing the rural economy.

Carry out in a deep-going manner the activities for "changing the mechanism, grasping management, strengthening internal capacity, and increasing economic efficiency." A good job should be done in switching the operational mechanism of enterprises, reducing losses, and increasing profits. Comprehensive coordination of industry should be reinforced and arduous efforts should be exerted to create a good external environment for the production in enterprises. The work of technical upgrading should be promoted and technical transformation in key enterprises should be furthered. Funds should be raised in a multichannel way so that resources can be concentrated to ensure the construction of key projects. Effective measures should be taken to increase revenue and to curb expenditure. Monitoring and control over prices should be strengthened, with a strict ceiling imposed on the general price levels. The development of various social undertakings, such as science and technology and education, should be quickened. The target of population control should be achieved by every possible means.

Guangdong Enterprise Files for Bankruptcy

HK1810110294 Beijing ZHONGGUO XINWEN SHE
in Chinese 0247 GMT 25 Sep 94

[By reporter Song Xiuji (1345 4423 0267) and special correspondents Ren Qian (0117 1523) and Zhuo Zhanming (0587 2069 7686)]

[FBIS Translated Text] Qingyuan, 25 Sep (ZHONGGUO XINWEN SHE)—Qingyuan City Nitrogenous Fertilizer Factory in northern Guangdong recently applied to the Qingyuan City Intermediate Court for bankruptcy. It is the first enterprise in northern Guangdong to apply for bankruptcy.

Since 1990, affected by rising prices of raw and semi-finished materials and electricity and the readjustment of the fertilizer structure in agriculture, techniques, and technical equipment, the enterprise has suffered serious losses. At present, it has a total of 25.78 million yuan in debt while only having 14.04 million yuan in assets, which is much lower than its debt. Every month, the city government allocates 70,000 yuan to it as living expenses. With the consent of the local government and the Qingyuan City Petrochemical Corporation, which is in charge of the enterprise, the enterprise applied to the Qingyuan City Intermediate Court for bankruptcy on 11 August.

Relevant officials of Qingyuan city said: Enterprises found through examination to be unable to continue

operations will be allowed to apply for bankruptcy. After an enterprise's bankruptcy, arrangements will be made for its staff and workers by the local government and labor organs.

At present, the enterprise is at the stage of a public announcement of its bankruptcy. If it succeeds in its application for bankruptcy, Qingyuan City Nitrogenous Fertilizer Factory will be the first to be declared bankrupt in northern Guangdong.

Southwest Region

Official Announces Focus on Southwest Investment

HK1610050294 Beijing CHINA DAILY in English 15 Oct 94 p 2

[By Zhou Weirong: "Southwest To Be Focus of Economic Progress"]

[FBIS Transcribed Text] The Southwest will become the focus of the country's economic development, Wang Guangying, Vice-Chairman of the National People's Congress Standing Committee, announced yesterday in Beijing.

The remark indicates that there will be great potential for business opportunities for foreign investors in the vast region consisting of Yunnan, Guizhou, Sichuan provinces and the Tibet Autonomous Region.

The announcement came at a news conference promoting the Southwest China International Investment Promotion Forum, the first of its kind in the region, scheduled for November 15-17 in Kunming, the capital of Yunnan Province.

It will be sponsored by the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO), the China International Centre for Economic and Technical Exchanges (CICETE) and the governments of Sichuan, Guizhou, Yunnan, Tibet, Chongqing and Chengdu.

The forum will focus on the industrial sector, particularly the readjustment of large- and medium-sized enterprises and the development of natural resources, said Liu Jing, Vice-Governor of Yunnan Province.

More than 140 projects will be offered to foreign investors, and about 500 foreign business people are expected to participate in the forum.

Up to now, over 400 foreign firms, mainly from Japan, Germany, Italy, Austria and the United States, have signalled their interest in investing in the region.

"Though the value of investment this year has fallen slightly due to the sluggish real estate market, we have seen the pleasant change in the investment structure as more foreign funds are poured into the sector of infrastructure facility construction in the region," Liu said.

In the past few years, the region has witnessed sharp increases in foreign trade and overseas investment, officials said.

In 1993, export and import value reached \$6.63 billion, a 27.7 per cent increase from last year. By the end of 1993, the number of joint ventures in the region reached 10,000, according to the vice-governor.

"Take Yunnan as an example," Liu said. "The investment we introduced last year equals the total amount of the last 14 years."

Paddy Rice Crop Yields 'Good Harvest' in Sichuan

*OW1810020394 Beijing XINHUA in English 0113
GMT 18 Oct 94*

[FBIS Transcribed Text] Chongqing, October 18 (XINHUA)—The regenerated paddy rice crop has yielded a good harvest in Chongqing, the most populous city in southwest China's Sichuan Province, where the sowing area of the crop accounts for one fifth of the national total.

The kind of rice crop, with young shoots growing again on paddy stalks after a harvest, had long been low-yielding since it was discovered by Chinese peasants 1,700 years ago.

The adoption of agricultural techniques in Chongqing since 1986 has greatly pushed up output.

This year the 9.3 million ha under regenerated rice yielded a good harvest of 143,000 tons.

The highest output reached 3,450 kg per hectare.

Report on Eradication of Poverty in Sichuan

*OW1810081194 Beijing XINHUA in English 0743
GMT 18 Oct 94*

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—More than 4.5 million people in southwest China's Sichuan Province have, so far, got rid of poverty.

The province had a population of over 16 million people who lived in abject poverty a decade ago. But the figure has now dropped to 11.8 million.

Over the past decade, the central government and government have invested a total of 4.05 billion yuan to help the local people to eliminate poverty.

Grain possession per capita in impoverished areas of the province last year was raised to 360 kg from 300 kg a decade ago and per capita income more than doubled to 570 yuan from 200 yuan. A considerable part of the farmers in these areas have built their new houses.

The economic growth rate in the poor areas reached 8.6 percent, higher than the province's average. The infrastructural facilities including transport, telecommunications and medical care have also been improved greatly.

Electricity is available for 80 percent of the villages, a transport network has been built linking up with most of the townships, and many counties have been equipped with program-controlled telephones.

Sichuan Expressway Opens to Traffic

*OW1810103894 Beijing XINHUA in English 1030
GMT 18 Oct 94*

[FBIS Transcribed Text] Chongqing, October 18 (XINHUA)—Part of the expressway linking Chongqing and Chengdu, two major cities in Sichuan Province in southwest China, opened to traffic today.

The 114.2-km section, which opened today and stretches from Chenjiaping in Chongqing city to Rongchang county, is named the Chongqing part of the 342.2-km expressway.

The expressway is a national construction project during the Eighth Five-Year-Plan period from 1990 to 1995. It costs a total investment of 3.9 billion yuan, including a loan of 120 million U.S. dollars from the World Bank.

Official sources said the new expressway, 90 km shorter than the old highway linking the two cities, will reduce the journey to a little more than four hours upon completion.

Extending through a terrain strewn with hills and gullies, the Chongqing part is the hardest section to be built, the sources said.

Since May 1990, when construction was started, the builders have completed a total of 21 million cubic meters of earth works.

The expressway involves the longest and second longest highway tunnels in China, namely the Zhongliang mountain and Jinyun mountain tunnels. Moreover, in Baxian county, the builders filled a 36.16 m high embankment, which is believed to be one of the highest in the world.

Island in Lhasa River To Become Tibetan Tourist Spot

*OW1710154994 Beijing XINHUA in English 1526
GMT 17 Oct 94*

[FBIS Transcribed Text] Tibet, October 17 (XINHUA)—A project that will cost 600 million yuan is designed to build luxurious villas, hotels, restaurants and recreation facilities in an island in the Lhasa River close to Lhasa, capital of China's Tibetan Autonomous Region.

A permanent, 4,400 meter-long dam has been erected around the island, called "immortal foot" by the local people, to stand severe floods.

The island, with an area of 140,000 square meters, gets its name because the Tibetan believe it is an immortal's footmark.

The project, jointly sponsored by Lhasa and Macau firms, is Tibet's largest act to attract foreign capital till now. Thousands of workers are working on the site to make use of the last working season in that region.

Yang Chuantang, deputy governor of the autonomous region, said: "The project not only harnesses the Lhasa River but speeds up the construction of the city."

Yunnan Province Improves Water Conservancy

*OW1810081394 Beijing XINHUA in English 0749
GMT 18 Oct 94*

[FBIS Transcribed Text] Kunming, October 18 (XINHUA)—Upgrading of water conservancy facilities has secured harvests of Yunnan Province in southwest China in five consecutive years, according to provincial authorities.

With mountains accounting for 94 percent of its area, the province is always considering water conservancy construction a guarantee to agricultural success, said provincial officials.

Since 1988, the province put aside 4.4 billion yuan (about 520 million U.S. dollars) in the construction of 44 key water irrigation projects, which are considered crucial for the province to build 25 million mu (1.66 million hectares) of high-yielding farm land by the year 2000. During last winter and spring alone, the investment reached 1.71 billion yuan.

As a result, irrigated farm land of the province has risen from 30 percent in 1979 to the present 39.6 percent.

North Region

Beijing Implements Regulations on Occupational Diseases

SK1710220794 Beijing BEIJING RIBAO in Chinese 6 Oct 94 p 1

[By trainee Li Yuxia (2621 3768 7209): "Regulations Regarding the Prevention and Cure of Occupational Diseases Are Put Into Effect"]

[FBIS Translated Text] The "Beijing Municipal Regulations Regarding the Prevention and Cure of Occupational Diseases and Regarding the Supervision Over Public Health" have begun to be carried out. A few days ago, the municipal government held a mobilization rally calling on various related fields to conscientiously study and actually implement these regulations by persisting in the policy of "putting prevention first" and the principle of combining "prevention and cure" with "supervision and service."

At present, more than 13,400 industrial and mining enterprises in the municipality operate under adverse conditions, and more than 525,000 workers and staff members operate under adverse conditions. The case of death due to acute occupational disease poisoning has

occurred time and again, the pneumoconiosis suffering rate has been high, and the cases of benzene poisoning, lead poisoning, and pesticide poisoning, that were brought under effective control in the past, have again picked up. In addition, the rapid development of economic construction, the import and use of many new foreign technologies, skills, and equipment, the sharp increase in township and town enterprises, and the broad flow of the population have brought many problems for the prevention and cure of occupational diseases.

Beijing Views Higher Education Reform

SK1810045094 Beijing BEIJING RIBAO in Chinese 9 Oct 94 p 1

[By reporter Mao Jing (3029 0079): "Beijing Wins New Achievements in the Reform and Development of Schools of Higher Learning"]

[FBIS Translated Text] Since the beginning of this year, schools of higher learning in Beijing have emancipated the mind, firmly seized the opportunity, and, while maintaining the stable situation, continued to deepen the reform in various fields, thus winning positive development in their undertakings.

They have made continued efforts to greatly promote the reform of education and teaching and further put education and teaching in the central position.

In line with the principle of "emphasizing improvement," schools of higher learning have strengthened management, optimized the structure of specialties, revised teaching plans, adjusted the curricula, compiled new teaching materials, and carried out multiform activities to inspect and appraise teaching.

In the reform of the teaching management system, more than 10 schools of higher learning have conducted experiments on the credit system. Beginning this semester, Qinghua University and Beijing Engineering Institute have applied the credit system across the board.

With the approval of the State Education Commission, nine schools of higher learning in Beijing, in the first half of this year, began the preliminary examination on the departments to apply for the "211 project." Three institutes—China Geological University, Beijing Science and Technology University, and Beifang Communications University—have completed the preliminary examination.

Schools of higher learning have actively and steadily promoted the reform of the system for developing schools and achieved substantial progress in cooperation.

The municipal government and the Chinese General Company of Aeronautics Industry officially signed an agreement in April this year to cooperate in establishing Beijing Aeronautics and Astronautics University.

The Foreign Economic Relations and Trade College and four other schools, which are located in northeast Beijing, have started cooperation in running schools. Beginning with teaching, they will join efforts to employ outstanding teachers, open their libraries and laboratories to each other, allow their students to select each other's courses, and then gradually extend their cooperation to the fields of scientific research, industrial development, and rear service.

Eight schools located in northwest Beijing, including Renmin University, have conducted cooperation for many years, and they are recently joined by the Geological College. These nine schools are studying ways to strengthen their cooperation to complement each other with their respective advantages.

An upsurge has emerged in the cooperation of various types and with various measures between different schools of higher learning, between schools of higher learning and scientific research organizations, between schools of higher learning and Beijing's suburban counties, and between schools of higher learning and secondary specialized schools.

A breakthrough has been achieved in the reform of the system for recruitment and tuition and the system for the job arrangements for graduates.

During this year's recruitment, eight schools of higher learning in Beijing took the lead in recruiting both self-supported students and public-supported students. For this reform experiment, in particular, they drew up supporting policies and systems, such as the scholarship system and the tuition loan system. They have made a breakthrough in changing the system under which the state pays the tuition and guarantees job arrangements and in gradually implementing the system under which students pay their tuition and choose jobs by themselves after graduation.

Beijing has established the "reward fund for job arrangements for graduates of Beijing's schools of higher learning" to reward the graduates who volunteer to work in old revolutionary base areas, areas of minority nationalities, border areas, and poverty-stricken areas. Seventy-six students volunteered to work in border areas this year.

Reform of the management system for schools of higher learning has been further deepened after comprehensive development.

Some schools of higher learning are further adjusting their organizations, optimizing their structure, extending the full-time employment system, establishing and improving the appraisal system, and increasing incentives related to job arrangements, thus making the reform of management system coordinate with the reform of the education and teaching systems and enabling them to promote each other and continuously develop in-depth.

Focusing on enforcement of the "law on teachers," great attention has been given to improving the contingents of schools of higher learning, with teachers' contingents as the main.

Qinghua University and other schools of higher learning have optimized the structure of the branches of learning, specialties, and age of their contingents and formulated plans for selecting and training first-rate people who lead in some branches of learning in the country and the world.

In the first half of this year, Beijing continued to organize the selection of outstanding young backbone teachers and persons leading in some branches of learning. Four hundred young backbone teachers and 68 young leaders in some branches of learning were selected from 57 schools of higher learning. Some schools of higher learning organized the theoretical training for the young teachers not graduated from teachers' training schools, and more than 5,000 persons attended the courses on education, psychology, teaching theories, thus improving the quality of the contingents.

One-third of the academicians of the new Chinese Academy of Engineering are experts and scholars from Beijing's schools of higher learning.

Encouraging results have been achieved in gearing scientific and technological work to the need of the major battlefield of economic construction.

More than 20 schools of higher learning applied for implementation of 37 scientific research projects for the "110 program," which started early this year. After preliminary selection, 22 projects have been selected. In the "research on the key technology having an impact on Beijing's industrial competitiveness in the 1990's," which is sponsored by the municipal science and technology commission, more than 30 key technologies of Beijing's schools of higher learning have been selected. In the group of specialists and advisers of the sixth municipal government, which was established in January this year, 204 are specialists from 35 schools of higher learning, accounting for 26 percent of the total. Schools of higher learning also took the initiative in establishing ties with industrial and mining enterprises as well as county and township governments to carry out multiform scientific and technical services. The project to help 400,000 people in remote mountainous areas achieve moderate prosperity three years ahead of schedule in four years, which is participated in by Beijing's schools of higher learning, has also started.

Production undertakings developed by schools of higher learning has also developed successfully since the beginning of this year, and the output value they created in the first half of this year was about 25 percent higher than in the same period last year.

Party building and ideological and political work have been further strengthened.

The party committees of schools of higher learning have held discussions on major issues, paid attention to central work, and actively led and promoted the reform and development of the schools. They have achieved a higher level in ideology and theory. They have also stepped up efforts to improve leading bodies and made a breakthrough in making the leading body members younger in age. Through the activities to appraise and select 10 banner party branches throughout Beijing and 10 pacesetting advanced party branches of schools of higher learning, the party's grass-roots organizations have been strengthened.

Various measures have been adopted to conduct education chiefly in patriotism, collectivism, and socialism among college students.

Meanwhile, schools of higher learning have launched rich and colorful campus cultural activities and stepped up rear service to improve the environment for educating students and to promote stability in schools of higher learning.

Adjustment of the layout of the schools of higher learning under the municipality is also being intensified.

Beijing To Host International Real Estate Fair

OW1810122894 Beijing XINHUA in English 1200
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—A large-scale real estate fair to be held here from October 27 to 30 is expected to list more than 200 real estate projects and will cover such businesses as spot and futures transactions and leasing of real estate.

Officials from the Beijing Municipal Real Estate Administrative Bureau, which co-sponsored the fair, said that more than 100 real estate developers including those from Japan, the United States, Malaysia and Hong Kong as well as from China will participate in the fair.

The fair will also offer relevant services such as policy and law consultations, price appraisal of real estate property, transactions and registration of property rights, according to the organizing committee.

Real estate industry has been growing at a high speed in Beijing over the past few years, and more than 100 foreign-funded real estate companies have been founded since early last year.

Downtown areas in Beijing, including the Wangfujing and Xidan areas, were favored by overseas real estate investors. Large-scale development is under way in these areas.

Hu Zhiyong, deputy director of the Beijing Real Estate Administrative Bureau, noted that the booming of real estate business has helped the work of renovating dilapidated dwellings in the city and the improvement of living conditions for local residents.

Per-capita living space in Beijing has increased from less than four sq m to 8.3 sq m over the past 15 years.

"We have acquired a proportionate percentage in the development of real estate sector," he said. "some 74 percent of the real estate business is for common residential housing, whereas apartments with well-equipped facilities, high-grade villas, holiday villages and office buildings account only for 26 percent."

Inner Mongolia Secretary's Work Arrangements

SK1810055894 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 14 Oct 94

[FBIS Translated Text] During his investigation and study tours in Ulanqab League, Liu Mingzu, secretary of the autonomous regional party committee, pointed out: Only by upholding the principle of integrating the emancipation of minds with seeking truth from facts can we find out a correct way of economic development. Vigorously grasping implementation of the way after it has been defined represents a key to promoting economic development. We cannot do without a method of development or a way to realistically implement it. We cannot be short in either.

From 9 to 12 October, Liu Mingzu, secretary of the autonomous regional party committee, went deep into some banners and counties in Ulanqab League to carry out investigation and study. In citing the issue of integrating the emancipation of minds with seeking truth from facts during his investigation and study tours, Liu Mingzu pointed out: We must have the principle of integrating the emancipation of minds with seeking truth from facts run through the whole process of work. For example, in defining ideas and plans for development, leadership of leagues, banners, and counties must analyze their local reality by seeking truth from facts. They should know well what level their economy will reach, what the conditions for natural resources are, where their strong points lie, and what their weak points are. They should proceed from reality and be responsible for the party and the people unanimously.

Liu Mingzu stated: The autonomous region is endowed with a vast territory. Differences in weather, soil, natural resources, and customs among various localities across the region are large. The conditions of localities even within a township are not identical. Therefore, we must be sure to seek truth from facts, suit the measures to local conditions, and not seek uniformity in doing things. Mistakes committed by us in the past were due to seeking uniformity in doing things. Of 15 banners and counties in Ulanqab League, 13 are poor. In line with this reality, we must do a good job in studying the issue of how to have 1 million poor people stably cast off their poverty. Having cast off the poverty does not only mean that the people will have enough food, clothes, and houses. What is most important is that we should provide road convenience and power supply for them and to deal with the difficulties they face with potable water.

In citing the issue of how to successfully implement the work during his tours, Liu Mingzu stated: The region's ways of one progress, two retreat, and three slow-down represent the summary of experience and lessons gained over the past decades, in which the region has paid a tremendous price. These ways must be followed. As for these defined ways, we should vigorously implement them in the next step and have them be actually enforced. By no means should we only write them down and pay lip service to them, but should implement them in a down-to-earth manner. He urged the personnel he met during his tours to do much work in the following several fields: 1) A good job should be done in conducting farmland and grassland capital construction. We will have no food due to the decrease of grain farmland and per unit grain yield caused by the failure of farmland capital construction. The current number of animals has surpassed the capacity of existing grassland across the region. We should develop man-made grassland because the herding on the natural grassland without water can not be restored by having discarded the grain farmland and not having planted grass. 2) Efforts should be made to foster and maintain the rational structure of animal husbandry. The productive cycle of animal husbandry is long and we should achieve in obtaining multiple varieties of animals and raising animals specifically so as to meet the demands of market changes. We should provide a correct guiding orientation of markets for peasants.

3) In line with the paid contracting system, a good job should be done in formulating grassland plans and carrying out grassland construction. In particular, we should define as soon as possible, the policies for the five-category wasteland and do a good job in carrying out construction among them so as to enable them to be favorable for the mass development of agriculture and animal husbandry in the future. 4) A good job should be done in developing and boosting the enterprises that are turning out brisk-sale products. These enterprises actually are an associated business group among industry, agriculture, and animal husbandry. We should pay particular attention to the relations of profit distributions among them and truly enable them to commonly assume the risk and to evenly enjoy the profits. Only by so doing can we have them be full of vigor. 5) Strenuous efforts should be made to develop township enterprises. We should accelerate the development of township enterprises through the ownership of collectives and individuals, joint venture, and relaxative and flexible mechanism so as to resolve the problems of surplus labor forces in rural and pastoral areas and of having no work in winter.

In citing the issue of further deepening the reform during his tours, Liu Mingzu stated: Currently, leagues, cities, banners, and counties should grasp these three major tasks in their reforms: 1) Efforts should be made to deepen reform in enterprises. First of all we should manage well the county-run enterprises and enable them to be free from production suspension and losses by regarding as an emphasis the work of clearly defining the

property rights, implementing the responsibility system, enhancing internal management, as well as of curbing losses and increasing profits. Leagues, cities, banners, and counties should regard as a target the elimination of money-losing enterprises and as a criterion in appraising their work achievements. In a certain sense, regarding economic construction as a center means to regard economic results as a center. 2) Continuous efforts should be made to improve the responsibility system for land and grassland development. A good job should be done in establishing comprehensive service systems at county, township, village levels and in developing state-and collectively-owned economic and technical organizations rendering services before, during, and after production. Meanwhile, strenuous efforts should be made to develop individual-run, privately owned, and foreign-funded enterprises and to establish new economic growing points. In this regard, we should further relax the restrictions set in the policies and support and encourage these enterprises to achieve development. 3) A good job should be done in conducting organizational reform and resolving the problem of having more hands than needed, that has cropped up among various organs. We should transfer the talented personnel crowded among various organs to bring their talent into play and to have them make contributions and create a new career. Efforts should be made to formulate the policy of supporting these transferred personnel and to clearly offer higher or double pay than their personnel received previously. Otherwise, the transfer of organizational personnel will remain empty talk.

Liu Mingzu also repeatedly stressed: We should uphold the spirit of being self reliant and develop the tradition of practicing economy. He stated: In conducting construction, we should do what we are capable of; do our best; as well as live within our means in spending and curb the expenses. In future financial revenues and spending, we should not have spending exceed revenue in working out accounts. By no means should we only present the figures of revenues, spending, deficits, and subsidies that deserve to be given by the higher authorities. On the contrary, we should do things within the capacity of funds and turn this practice into a principle. We should adopt every possible way and means to increase incomes and to curb expenses. We should constantly recall that there are lots of peasants and herdsmen who can not eat their fill and cadres who are going without pay. In conducting developments in the future, we should bring into full play the region's strong points in natural resources and in abundant labor forces. Efforts should be made to actively win over or support the aided construction projects with the state investments made in the region. A good job should be done in using the self-raised funds and vigorously developing projects which require less investment, have quick effects and high economic results and whose construction is short, simple, and quick. Strenuous efforts should be made to encourage the accumulation through laboring work and to enhance

the construction of farmland and grassland water conservancy works, forestry, and communications.

In citing the issue of enhancing the party building, Liu Mingzu demanded: Party organizations at all levels across the region should earnestly study and implement the spirit of the Fourth Plenum of the 14th CPC Central Committee, conduct analysis over party building at the grass-roots level by seeking truth from facts, and put forward their opinions on resolving the existing problems. In view of party organizational construction across the region as a whole, a good job should be done in emphatically resolving the problems in the following two fields: 1) A good job should be done in changing the backwardness of party branches. Efforts should be made to formulate targets and plans for improving the outlook of backward party branches, to adopt effective measures, and to successfully implement these measures. First of all we should do a good job in selecting or assigning the secretaries of party branches and in building the leading bodies of party branches so as to enable them to be a leading core or combat fort in encouraging enterprises to switch their losses to profits and in having rural and pastoral areas cast off their poverty. 2) Efforts should be made to actively encourage the backbone elements working on the forefront to enter the party. In particular, we should have all outstanding youth and people in their prime in rural and pastoral areas who meet the criteria for becoming party member, are able to lead the masses to become wealthy as a group, and are familiar with science and technology as well as culture, enter the party. Efforts should be made to change the phenomena cropping up among rural and pastoral areas with regard to party members generally getting old and being on the lower end of cultural quality as well as with regard to the irrational structure of party personnel.

Inner Mongolia Militia Studies Deng's Works

SK1810033294 Hohhot Inner Mongolia People's Radio Network in Mandarin 1100 GMT 17 Oct 94

[FBIS Translated Text] On 14 October, Hohhot city held a rally of militiamen to exchange experience in studying the *Selected Works of Deng Xiaoping*. Zhang Zhen, political commissar of Inner Mongolia Military District, attended the rally.

After the publication and distribution of Volume 3 of the *Selected Works of Deng Xiaoping*, the party committee of the Hohhot Military Sub-district has regarded doing a good job in studying Volume 3 of *Selected Works of Deng Xiaoping* and using the theory on building socialism with Chinese characteristics to arm all officers and men and the broad masses of militiamen and reserve duty personnel as the task of primary importance in strengthening the building of army reserve forces and as an important content of this year's political study and education. During the beginning of this year, the party committee of the military subdistrict specifically attended to the educational experiment of making militia grass-roots organizations study Volume 3 of

Selected Works of Deng Xiaoping, conducted a training course on study of Volume 3 of the *Selected Works of Deng Xiaoping* for backbone cadres of four enterprises, and enabled cadres of the People's Armed Forces, special armed forces, and militia battalions and companies of 122 units, a total of more than 500 people, to receive training, laid a foundation for militiamen across the city to extensively and deeply conduct a study campaign, and created a study upsurge in all grass-roots militia organizations across the city. In the course of study, all units and enterprises did a better job in solving the contradictions between their work and study; most militiamen and reserve duty personnel had thoroughly studied Volume 3 of *Selected Works of Deng Xiaoping* once, and some had even studied it two or three times. They also paid attention to leading the broad masses of militiamen to combine theoretical study with the practice of participating in reforms and opening up, combine study, investigation and research with the work of solving the new problems and new situations in militia work, and achieved a good study effect.

In May this year, Hohhot city militia's way of studying Volume of *Selected Works of Deng Xiaoping* was recognized and popularized by the Inner Mongolia Military District, the Beijing Military Region, and the General Political Department.

At the experience-exchange rally, more than 150 participants watched the picture exhibition to show the study achievements. Hohhot Iron and Steel Plant and other units introduced the main ways of studying Volume 3 of the *Selected Works of Deng Xiaoping* of their own units.

Inner Mongolia Develops Rare-Earth Industry

SK1510134894 Hohhot NEIMENGGU RIBAO in Chinese 27 Sep 94 pp 1, 4

[By reporter Liu Shengrong (0491 3932 2837) and correspondent Wang Shouren (3769 1343 0088); "Inner Mongolia's Rare-Earth Industry Develops With Momentum"]

[FBIS Translated Text] In the 45 years since the founding of the country, especially after the initiation of reform and opening up, Inner Mongolia has scored eye-catching achievements in developing the rare-earth industry. A fairly complete system has been established in the iron and steel industry, and nonferrous metal industry has become a major advantage in Inner Mongolia's economic development. The abundant rare earth resources are being turned into economic advantages, showing broad prospects.

Inner Mongolia's iron and steel industry has grown out of nothing and developed from small to large. Premier Zhou Enlai cut the ribbon for the no. 1 blast furnace of the Baotou Iron and Steel Complex on 15 October 1959, putting an end to Inner Mongolia's history of "incapacity to produce even an inch of iron." A group of local enterprises, such as the Hohhot Iron and Steel Plant and

the Ulan Hot Iron and Steel Plant, have emerged ever since as the times required to lay a solid foundation for expanding the metallurgical industry and developing the economy of the region of minority nationalities.

After the third plenary session of the 11th party Central Committee, the 180,000 metallurgical industrial staff and workers of Inner Mongolia took advantage of the reform and opening policy and the abundant resources to accelerate development. The Baotou Iron and Steel Complex made the best of the preferential policies to improve the external environment, transformed its operating mechanism, and implemented across the board the supporting reform focusing on the economic responsibility system, thus greatly enhancing its vigor and capacity for sustained development. After crossing the threshold of 2.7 million tonnes in the annual production of pig iron in 1992, it again surpassed 3 million tonnes in steel output in 1993, turned out 1.8 billion yuan of profits and taxes, and expanded its production scale to an extent ranking fifth among the iron and steel enterprises in the whole country, thus achieving a historical leap. Thanks to efforts to deepen reform, local iron and steel enterprises built in the 1960's and 1970's also reached a new height in production scale, technological level, and economic efficiency. The Ulan Hot Iron and Steel Plant attached importance to the renovation projects that improved measures and technology and that required shorter construction periods and less investment and yielded quicker returns. As a result, it upgraded its equipment and production capacity, became one of the top ten enterprises of the region, and was ranked among the 500 enterprises with the best economic efficiency in the country. The Chifeng Iron and Steel Plant signed a contract for profit-tax delivery to higher authorities in 1987. Since then, it developed itself from a small enterprise with a monthly capacity of merely several dozen tonnes to a medium-sized one with a monthly capacity of over 10,000 tonnes, and its profits and taxes increased by eight times to be ranked among the advanced enterprises of the region. In addition, the Hohhot Iron and Steel Plant, the Qianlishan Iron and Steel Plant, and others also adopted corresponding measures to upgrade their technology, equipment, and production capacity. They are sure to increase their annual production capacity to 400,000 tonnes of steel, 500,000 tonnes of iron, and 600,000 tonnes of rolled steel by the end of the Eighth Five-Year Plan. Local iron mines were also developed from one with an annual capacity of 24,000 tonnes of concentrate powder to more than 20 with an annual capacity of 700,000 tonnes of concentrate powder.

Inner Mongolia has established 58 iron and steel enterprises with a fairly complete system for mining, dressing, iron smelting, steel smelting, and rolling. According to statistics, Inner Mongolia increased its steel output from 1.2 million tonnes to 3.27 million tonnes in the 15 years from 1979 to 1993, showing an annual increase of 7.4 percent; its pig iron output from 1.2 million tonnes to 3.25 million tonnes, an annual increase of 7.4 percent;

and its rolled steel from 820,000 tonnes to 2.41 million tonnes, an annual increase of 8 percent. The growth in the volume of profits and taxes greatly exceeded that in output value, increasing by 40 times in 1993 as compared with 1979.

After decades of hard work, Inner Mongolia's nonferrous metal industry has developed by leaps and bounds and have become a major advantage in the region's economic development. According to statistics, the region produced products with the content of cooper, lead, and zinc totaling 42,480 tonnes, nine times that of 1979; its output of nonferrous metal industry totaled 980 million yuan; and the profits and taxes produced came to 106 million yuan. After large-scale renovation and expansion during the Seventh Five-Year Plan period, the Baotou Aluminum Plant notably upgraded its production capacity and technological level, and its major economic indexes ranked among the best in the top ten aluminum plants of the country. The Baotou Copper Smelting Plant with an annual production capacity of 5,000 tonnes of electrolytic copper and the Baotou 202 Electrolytic Magnesium Branch Plant with an annual production capacity of 3,500 tonnes of metal magnesium were completed and put into operation last year. In addition, the Chifeng Zinc Smelting Plant with an annual production capacity of 2,100 tonnes of electrolytic zinc will also be put into trial operation soon. In this way, two large production bases in east and west Inner Mongolia—a copper, aluminum, and magnesium production base centering in Baotou and Bayannur League and a lead, zinc, and tin production base centering in Chifeng and Hinggan League—were established to change Inner Mongolia's backwardness in the smelting and intensive processing of nonferrous metals.

With the rare earth reserves five times those of the world's total, China has won the reputation of being the "home town of rare earth." Inner Mongolia has attached great importance to the exploitation and utilization of rare earth resources since the founding of new China. In 1960, the Baotou Iron and Steel Complex used the blast furnace residue, which contained rare earth, to develop industrialized production and produced rare earth ferrosilicon alloy containing 25 percent of rare earth. This marked the beginning of China's industrialized production of rare earth. In the 1970's, the Baotou Iron and Steel Complex turned three rare earth experimental plants into specialized production plants and built a rare earth dressing workshop in its ore dressing plant. Since the initiation of reform and opening up, Inner Mongolia upheld the production principle of "attaching equal importance to iron and rare earth and developing them in a comprehensive manner," strived to expand the production scale, improved the rare earth product mix, and built China's largest rare earth concentrate ore dressing plant, the world's largest rare earth alloy production plant, and some rare earth key plants producing various kinds of products in north China. They have over 10 rare earth concentrate ore, rare earth chloride, rare earth alloy production lines capable of producing

over 100 kinds of rare earth products of over 200 specifications. These products are sold all over the country and to more than 10 countries and regions. In 1986, the No. 3 Rare Earth Plant of the Baotou Iron and Steel Complex built another rare earth processing line up to the world's advanced level in technology. It produces 120 tonnes of rare earth oxide to not only meet domestic demand but also increase the export of high-grade products. In addition to the Baotou Iron and Steel Complex, Baotou city also built three rare earth production plants with 18 production lines. They produce more than 10,000 tonnes of rare earth of various kinds.

In the meantime, Inner Mongolia made active efforts to apply rare earth. It has developed a series of new products, such as rare earth fertilizer containing only minor elements, rare earth feed additive, and rare earth fur brightener, to be widely applied in agriculture, animal husbandry, leather and chemical industries, and new building material production, and achieved very good economic efficiency. Business firms from some dozen countries came to Inner Mongolia to discuss the exploitation and utilization of rare earth in the past few years. Our rare earth products are becoming more and more competitive in the domestic and world markets.

Northeast Region

Jilin Conducts Meeting on Economic Situation

SK1810030394 Changchun JILIN RIBAO in Chinese
22 Sep pp 1, 3

[By reporter Yin Hua (1438 5478): "Accomplish in a Comprehensive Manner All Tasks of Economic Work"]

[FBIS Translated Text] Jilin Governor Gao Yan held the 21st executive meeting of the Jilin Provincial Government from 19 to 20 September. The meeting analyzed the situation, united the understanding, and made arrangements to accomplish in a comprehensive manner this year's tasks of economic work.

Vice Governors Liu Xilin, Wei Minxue, and Liu Shuying, and Secretary General Wu Guangcai attended the meeting. Comrades in charge from the provincial government's departments concerned attended as nonvoting delegates.

The meeting heard the reports on the situation of Jilin's industrial production, finance, tax revenue, and banking, and the meeting analyzed the economic situation from January to August this year. In the first eight months of this year, Jilin upheld the guideline of "grasping the opportunity, deepening reform, opening wider, enhancing development, and maintaining stability" to pay firm attention to the main line of economic work, which was to change mechanisms, improve administration, promote management, and increase efficiency; and conscientiously strengthened the leadership of the economic work. The higher and lower levels as well as all the quarters of the province coordinated closely, united and

cooperated, met difficulties head-on, and achieved continuous, fast, and healthy development in the national economy in the whole province. The general situation was good. The main signs were:

- The industry's production increased at a fairly rapid pace. The broad staff members and workers of the industrial and communications front overcame all kinds of difficulties, and the higher and lower levels worked as one. From January to August, the cumulative total of the industrial output value of the industries at and above the township level increased by 12.7 percent as compared with the corresponding period of last year.
- The agriculture overcame natural calamities, and it is a foregone conclusion that we will have a bumper harvest this year.
- Financial incomes rose, and the economic returns of the enterprises were improved. From January to August, Jilin's financial income increased by 38.9 percent as compared with the corresponding period of last year, and its industrial and commercial tax revenue increased by 30.1 percent. Up to the end of July, the profit-tax rate of funds of the industrial enterprises at and above the township level, which implemented the independent accounting system, was 8.26 percent, increasing by 3.89 percentage points as compared with the end of the first quarter.
- The banking situation was stable; bank savings increased; and the speed in putting money into circulation tended to slow down. From January to August, Jilin's bank savings increased by 5.44 billion yuan as compared with the corresponding period of last year, and the remaining sum of all kinds of loans increased by 1.97 billion yuan.
- The supply of commodities was abundant; the real income of the urban and rural inhabitants increased; and the market was basically stable. From January to August, Jilin's total retail sales of consumer goods increased by 17.5 percent as compared with the corresponding period of last year. In August alone, the increase was 30.1 percent.
- The foreign trade increased by a larger margin. From January to August, Jilin's foreign exchange earned from export increased by 28.7 percent as compared with the corresponding period of last year.
- The investment in fixed assets increased appropriately, and the investment structure was bettered. From January to August, Jilin's investment accomplished by the state-owned units increased by 38.3 percent as compared with the same period last year; and investment was concentrated on key projects, which were completed fairly well.

The meeting, by seeking truth from facts, analyzed Jilin's current difficulties and problems in economic operation,

such as the tense economic environment, impeded circulation of the capital, and poor economic returns. The meeting urged that in the provincial economic work in the last four months of this year, we should continue to uphold the general task of the work of the entire party and entire nation and the guideline of reform, development, and stability. Governments at all levels and the entire comrades of the economic front should rouse themselves up, take active and effective measures, coordinate closely, overcome difficulties, make efforts to accomplish all the tasks of this year, and achieve all the targets of promoting the economy to a new height in three years.

The key points of the economic work in the last four months are:

First, the industrial and communications front should continue to pay attention to the main line of "changing mechanism, improving administration, promoting management, and increasing efficiency." This activity has acquired conspicuous results currently, and we should continue to sum up the experiences, actively conduct the labor emulation drive, and enhance the quality of the enterprises in a comprehensive manner. We should particularly achieve success in the two backbone industries of automobiles and petrochemistry, and achieve success in the superior industries, such as papermaking, foodstuff, and medicine.

Second, we should give priority to reform and remolding, and adjust the structure. It is imperative to deepen the enterprise reform, and follow the requirements of building a modern enterprise system to particularly conduct the reform of the property rights management system. We should further spread in the whole province Liaoyuan city's experiences in reorganizing assets as well as changing operative mechanism, and inspect the results. Technical transformation is the reserve strength as well as the hope of Jilin's economic development. We should increase the competitiveness of enterprises and products by way of conducting technical transformation, renewing the equipment, and updating the products. At the same time, we should further adjust the structure, cultivate actively the new economic growth point, and increase economic returns.

Third, we should start up and explore the markets and upgrade the quality of economic operation. It is imperative to broaden our vision, devote major efforts to developing the domestic and the international markets, continue to expand the foreign economy and foreign trade, contact with the outside world closely, and try all the means to sell the products. We should carry out the strategy of creating famous brands, foster the consciousness to strive for establishing famous brands, and make efforts to enable the provincial products to rank among the "national team" and the "world team." To establish famous brands depends on the quality, the packaging, and the propaganda. It is imperative to continue to try to limit production and promote sales, and to try to increase the marketing rate.

Fourth, we should handle correctly the relationship between the financial tax revenue and the enterprises' production as well as development. On the one hand, we should do a good job in the collection and administration of taxes to ensure the financial income, and on the other hand, the enterprises' circulation of capital should be enlivened. It is imperative to accelerate the circulation of the capital, make efforts to enliven the existing capital, increase the utilization efficiency of capital, strengthen capital management, improve cost accounting, and try hard to reduce the cost. At the same time, the banking departments should do more jobs to guarantee the purchase of the farm produce and sideline products, the purchase of goods for foreign trade, and the capital required by industrial production.

Fifth, we should pay firm attention to the task of reducing deficits and increasing profits. In this respect, we should have new means and new countermeasures. We should make up deficits with reform, science and technology, and management. We should implement the measure for the leaders to take care of everything and put into effect the responsibility system.

Sixth, we should guarantee progress in key projects. The real strength and the capacity of Jilin's economic development depend on the big projects. For the projects of the backbone industries, such as the No. 1 Motor Vehicle Manufacturing Plant and the Jilin Chemical Industry Company, and the projects to construct basic facilities, such as supplying water, energy, and transportation, we should try all the means to achieve success and ensure that operations go according to schedule for the key projects.

Seventh, it is imperative to go down to the grass roots to pay firm attention to implementation. All the departments in charge of overall economic responsibilities and the departments in charge of different trades should be led by the main comrades in charge to go down to the grass roots to do investigation and study; organize production; help conscientiously the grass roots and enterprises to resolve the problems they encounter in production, in the staff members and workers' lives, and in passing the winter; and do a good job actively in the preparation work for next year's production.

Eighth, we should unite and coordinate to form joint forces. Currently more difficulties exist which have made the economic work of the last four months very arduous. The higher and lower levels and all the departments concerned in the whole province should understand each other, support each other, communicate more, discuss more, work together with one heart, coordinate closely, and unite to work hard. Only when we join forces can we achieve unity, enhance our combat strength, and accomplish all the tasks of this year in a comprehensive manner.

The meeting heard the report on the current commodity prices and decided on the measures to further check the rise in prices; heard the report on the situation of the

whole province's efforts to carry out the spirit put forward by the meeting of mayors and the chiefs of the autonomous prefectures and decided on the direction for planning as well as the key points of work to accelerate the combination of science, technology, and economy; heard the report on the situation of implementing the spirit of the State Council concerning deepening reform of the grain marketing system, and set forth the opinions of carrying out the spirit; and made some arrangements respectively after hearing the report on the situation of our province's inspection and learning from Shandong's reform of the state-owned enterprises system; hearing the report on the situation of inspecting Jilin's supporting Tibet to construct the Baqing hydropower station; and hearing the report on the spirit of the national land work meeting as well as the opinions on how to carry it out.

The meeting examined and approved the plan for "fixing the main functions, setup, and staffing" of the third group of the departments directly under the province to carry out the organizational reform. The meeting also discussed and approved the principles of several documents on laws and regulations as well as rules of the government to be submitted to the Standing Committee of the Jilin Provincial People's Congress for examination and approval.

Northwest Region

Desert Control Said Successful in Ningxia

OW1810040094 Beijing XINHUA in English 0210
GMT 18 Oct 94

[FBIS Transcribed Text] Yinchuan, October 18 (XINHUA)—A major railway in northwest China has been well under protection against damages by desert encroachment thanks to local desert control efforts.

Because of its successful work, the Zhongwei Sand-Fixation Forestry Center of the Ningxia Hui Autonomous Region, a backbone in the desert control, won a United Nations Prize of Environmental Protection in 1994.

The center began desert control effort in 1958, following the opening to traffic of the Baotou-Lanzhou railway, a trunk line linking north and northwest China, which partly crosses the Tengger desert, the fourth largest in China and which was exposed to damages caused by sandstorm and shifting sand dunes.

Since then, with the help of experts from the Institute of Desert Research under the Chinese Academy of Science, workers in the center have leveled thousands of sand dunes, reclaimed some 2,000 hectares of sandy fields, and planted over four million trees and bushes, forming a "green corridor" stretching sixty kilometers along the railway.

The vegetation has remarkably bettered the local natural ecological environment. The windy and dusty weather

has been reduced from the previous 330 days to the present 122 days per year. The types of plants and animals have been greatly diversified, and some rare animals on the verge of extinction have reappeared.

Now the successful experience of desert control achieved by the center has been introduced to some other provinces in their fight against sandstorms.

Foreign Expertise Helps Boost Ningxia Economy

OW1810074194 Beijing XINHUA in English 0717
GMT 18 Oct 94

[FBIS Transcribed Text] Beijing, October 18 (XINHUA)—Northwest China's Ningxia Hui Autonomous Region has co-operated with 33 countries and introduced a number of foreign experts in the development of special local products as part of the region's effort to speed up economic development in this relatively underdeveloped Muslim region.

According to the Beijing-based CAPITAL ECONOMIC INFORMATION NEWS, Ningxia has introduced 159 foreign experts and 100 advanced technology and facilities from abroad and sent more than 40 groups outside since 1979 when China opened its door to the outside world.

The move has helped improve the region's investment environment, with the completion of the Baoji-Hanzhong railway and an international airport in the regional capital. A total of 258 foreign-funded enterprises were established in the two years from 1992 and 1993 alone, the paper said.

The overseas expertise and technology have boosted productivity in many enterprises in the region. With foreign experts and technology imported, Ningxia non-ferrous metal plant, China's major producer of tantalum metal materials, has signed 6.4 million U.S. dollar export contracts.

As a hinterland autonomous region which is far away from the coastal areas or the border area, Ningxia has started a number of enterprises and representative offices in Shenzhen and Zhuhai, China's prosperous economic zones as well as other coastal cities.

In 1993, the region produced 9.65 billion U.S. dollars in industrial and agricultural output value with the export value of more than 111 million U.S. dollars.

By the end of June this year, the region has attracted 10.5 million U.S. dollars in direct investment from overseas. The investment has been used in agriculture, animal husbandry, education, technology and communications.

Qinghai Renovation of Buddhist Temple Proceeds

OW1810035794 Beijing XINHUA in English 0147
GMT 18 Oct 94

[FBIS Transcribed Text] Xining, October 18 (XINHUA)—The first phase renovation of the Ta'er monastery in northwest China's Qinghai Province has been finished recently.

Starting in 1991, the first phase project involved the renovation of two main halls in the monastery.

Located in Huangzhong County in the province, the monastery was built in the Ming dynasty (1368-1644) in memory of Zong Ka Ba, founder of the Gu-lu (yellow) sect of Tibetan Buddhism.

It was later expanded to become one of China's six famous temples of Lamaism.

The temple preserved over 10,000 brilliant Tibetan-style halls and rooms as well as over 20,000 religious paintings, appliques and wooden sculptures.

Much of the monastery deteriorated over the centuries and was damaged by earthquakes since 1990.

In 1991, China's central government decided to allocate 36 million yuan for renovating the monastery, a project that will proceed in three phases.

Qinghai Strontium Reserves Rank 1st in Country

*OW1710064194 Beijing XINHUA in English 0626
GMT 17 Oct 94*

[FBIS Transcribed Text] Beijing, October 17 (XINHUA)—The strontium reserves newly verified in Qinghai Province have ranked as the largest in China, the GEOLOGICAL AND MINERAL RESOURCES JOURNAL reported.

According to the Qinghai Provincial Geological and Mineral Resources Bureau, the confirmed reserves in

this northwest China's province accounted for 56 percent of the country's total by the end of 1993.

At present, this highland province has 11 types of minerals, of which the verified reserves of sodium, potassium, magnesium, lithium and bromine rank first in the country respectively.

Geologists have discovered nine strontium deposits across the province. The reserves are near the surface and easy for mining.

Scientists of the Qinghai Provincial Institute of Chemical Industry have succeeded in using some new techniques to coordinate the processing of strontium products, according to the report.

Government To Improve Water Resources in Xinjiang

*OW1810141194 Beijing XINHUA in English 1356
GMT 18 Oct 94*

[FBIS Transcribed Text] Urumqi, October 18 (XINHUA)—Chinese Government has raised a large sum of money to find drinking water for pastoral areas in northwest China's Xinjiang Uygur Autonomous Region.

The central government will invest a total of 300 million yuan in cultivating drinking water resources for the rural areas in the region. So far, 15.02 million yuan donated by people in both China and overseas has been used in Hetian county to dig wells and divert water from rivers and lakes.

Of the 11 million rural population in the region, 10.54 million lives in areas short of drinking water resources.

Commentary Urges Sincerity in Cross-Strait Exchanges

OW1610171394 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 10 Oct 94

[“Commentary” by station editor Huang Keren from the “News and Current Events” program: “Sincerity Is Needed in Cross-Strait Exchanges”]

[FBIS Translated Text] At an interview with an ASIAN WALL STREET JOURNAL reporter, Li Denghui [Li Teng-hui] said that he is willing to openly meet Jiang Zemin at international events such as the Asian Games and the meeting of the Asia-Pacific Economic Cooperation [APEC]. This is the first time that the Taiwan authorities have openly expressed their desire to meet the mainland's supreme leader. I hope this is good news.

The mainland has consistently held that the two sides of the Taiwan Strait should hold consultations to solve cross-strait issues—consultations should be held between authorized organs of the two sides such as the Association for Relations Across the Taiwan Strait and the Straits Exchange Foundation, both mass organizations, to settle administrative issues; and between leaders on the two sides to settle political issues. If only consultations are held on an equal footing under the conditions of mutual respect, seeking truth from facts, seeking common ground while reserving differences, and on the one-China principle affirmed by the two sides, all problems can be discussed and methods acceptable by both sides for settling problems can surely be found. Regarding the meeting place, it is best to find suitable venues on the two sides of the Taiwan Strait. Of course, like the first Wang-Gu talks, we may also select another place which the two sides feel is suitable. The mainland has clearly suggested before that if the two sides hold talks, the contents as well as format of the talks can be discussed. The mainland is willing to hear the Taiwan side's opinions on all of these issues.

However, it is inappropriate for Li Denghui to ask for a meeting with Jiang Zemin at international events such as the Asian Games and APEC meetings. The meeting between leaders on the two sides of the Taiwan Strait is entirely the internal affairs of the Chinese people and not a nation-to-nation affair, regardless of the venue or format of the talks. Why should the meeting be held at international events? This does not comply with the one-China principles affirmed by the two sides. People may take advantage of the issue to create two Chinas or one China and one Taiwan. It may also provide an opportunity for foreigners with ulterior motives to interfere in China's domestic affairs.

It is worth paying attention to the Taiwan spokesman's explanation of Li Denghui's statement. The spokesman said that Li Denghui expressed his wishes to hold talks with Jiang Zemin at some international events on international affairs, and not cross-strait affairs, still less the misunderstanding that political talks may be held

between the two sides of the Taiwan Strait. Political talks can only be held according to the third stage of Taiwan's national reunification guidelines. The person in charge of the Mainland Affairs Council of Taiwan's Executive Yuan further claimed that Li Denghui's statement is a tactic capable of attack in advance and defense in retreat. If the mainland agrees to the simultaneous appearance and meeting of supreme leaders from the two sides of the Taiwan Strait at these international occasions, the mainland can then be forced to recognize Taiwan as an independent political entity, and the influence of the so-called Republic of China in the international community can be extended. If the mainland opposes these conspiratorial activities of creating two Chinas or one China and one Taiwan, it can also be held responsible for obstructing the meeting between supreme leaders on the two sides of the Taiwan Strait. Taiwan can then find an excuse for opposing the mainland and for causing deterioration in cross-strait relations. The spokesman stressed that this tactic, whether in attack or defense, is favorable to Taiwan without causing any harm.

At an interpellation session at Taiwan's Legislative Yuan, Lian Zhan [Lien Chan] expressed a similar opinion. He even said that Li Denghui's statement was not a spontaneous reply. Such talk cannot help but arouse the suspicion that the Taiwan authorities' statements regarding a meeting between supreme leaders on the two sides of the Taiwan Strait are Li Denghui's attempts to sneak into the APEC meeting, to be held soon in Indonesia's Bali, after the defeat of his plot to make use of the Asian Games in Hiroshima.

We Chinese people attach great importance to good faith. It is most important to show sincerity in cross-strait exchanges. However, judging from the explanations of Li Denghui and Lian Zhan, their sincerity on the issue of meeting and holding talks between the two party leaders is open to doubt.

Article Views Taiwan's Economic Problems

HK1510020994 Beijing ZHONGGUO XINWEN SHE in English 1137 GMT 14 Oct 94

[FBIS Transcribed Text] Beijing, October 14 (CNS)—Taiwan's economic performance this year is not nearly as good as in the past, and problems in its economic operation look more obvious when compared with its neighbors in Asia.

Sources from Taiwan say that the growth of Taiwan's import and export in the first half of this year ranked last among the main economic powers in Asia. It is not a good sign for the island since its economic growth badly relies on its growth of foreign trade. According to the sources, there were five serious problems facing the economy of the island in the first quarter this year including the slowing down in export, the sharp drop in favourable balance of foreign trade, the sustained sluggish import of mechanical products, the gloomy future of construction industry and the decline in growth of bank loans and investment.

Taiwan saw only a 0.4 percent rise in its export in the first three months this year while in this period the Mainland, the United States and the other three Asian "small dragons" (Singapore, South Korea and Hong Kong) all had sound growth in this sector. In this quarter, the island suffered a negative growth of export to the U.S., Japan and Europe and its export to Europe has even been changed from active-balance making in the same period of last year into adverse-balance making. Though it saw a rise in its export to Hong Kong and countries of the Association of Southeast Asian Nations (ASEAN), the growth of the island's re-export to Hong Kong was down from 20 percent last year to less than 5 percent.

In the first eight months this year, Taiwan's favourable balance of foreign trade was U.S.\$ 3.9 billion, accounting for about 70 percent of that in the same period last year. According to an estimate of a statistical department under the "Executive Yuan" of Taiwan, the island will have a U.S. 6.9 billion favorable balance of foreign trade this year, the lowest in the past 11 years. This sum of income is about 2.9 percent of Taiwan's gross national product (GNP) for the whole year, posing another lowest in the past 14 years.

Since the beginning of this year, Taiwan and Hong Kong have been nearly the same in their economic development while the economic performance in Singapore and South Korea has been much better than Taiwan's. Among the four "small dragons" in Asia, the financial

and monetary industry in Hong Kong and Singapore is far more flourishing than that in Taiwan, and the pace in adjustment of industrial structure and industrial upgrading in these two places has also been faster than that of Taiwan. South Korea has seen a rapid rise in ratio of its heavy chemical industry, steel industry and manufacturing industry to its economy as a whole. After the turn of this century, South Korea will be in the leading rank in the world in terms of industries of electronics, automobile, steel and ship-building. Taiwan will be unable to match South Korea in these sectors.

Among the four "small dragons", Taiwan's economic growth was respectively ranked second, first and second in the past three years while this year, with the rapid economic growth in Singapore and South Korea, Taiwan will be forced to rank behind them. As there have been sound economic performances in Thailand, Indonesia and Malaysia in recent years, these three countries will also become economic rivals to Taiwan. Malaysia has in this year surpassed Taiwan in many sectors including financial management.

Taiwan has, however, its own advantages in competition with its economic rivals in Asia including its huge and still growing foreign exchange reserve, the strong impetus of its high-tech industry on its economic development, its highly-educated working force and its small and medium-sized enterprises' flexibility in their economic operation. The most important superiority of Taiwan is its exploration of the Mainland market.

Li Says Aerospace To Help Upgrade Industrial Base

OW1810081694 Taipei CNA in English 0727 GMT
18 Oct 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Oct. 18 (CNA)—President Li Teng-hui said Tuesday [18 October] that development of the aerospace industry is an established government policy.

Speaking during a meeting with Ronald B. Woodard, chairman of the U.S.-based Boeing Co., Li also expressed the hope that aerospace development will pave the way for the upgrading of the domestic industrial base.

The Republic of China [ROC] is willing to cooperate with foreign countries on the production as well as repair and maintenance of jetliners, Li pointed out, stressing that such cooperative ties should involve not only capital investment but also technology transfers.

Industrial upgrading in Taiwan will be achieved through the development of aerospace industry based on the domestic industrial infrastructure plus with transferred advanced technologies, he elaborated.

Woodard, in return, expressed Boeing's keen interest in cooperating with the Republic of China, saying that Boeing will seek partners for long-term mutual benefit and will not rule out technology transfers.

The American magnate was accompanied by Larry S. Dickenson, Boeing's vice president for the Asia-Pacific region, and Sun Tao-tsung, chairman of the Taiwan Aerospace Corp.

Foreign Minister Says Taipei Awaiting APEC Invite

OW1710143494 Taipei CNA in English 1353 GMT
17 Oct 94

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Oct. 17 (CNA)—Foreign Affairs Minister Chien Fu confirmed Monday [17 October] that Taiwan is the only one of the 17 Asia-Pacific Economic Cooperation Forum members that has not received an invitation to the APEC leaders' summit in Indonesia in November.

Chien, the first ranking government official to comment on the issue, made the remarks in reply to an inquiry by Democratic Progressive Party Legislator Chen Je-nan.

He told Chen no invitation has come because the Indonesian Government is hesitant to involve itself in a political row between Mainland China, which has indicated it will not tolerate Li's presence at the meeting, and Taiwan. "Javanese have their own way of doing things. It

seems that they never say no even when they mean to, hoping the situation can be naturally understood," Chien said.

Chen demanded that Chien be more specific. "Does the Indonesian Government hope Taiwan will automatically back down from the issue and send a minister, rather than President Li Teng-hui, to (the summit)?" Chen asked.

"Your explanation is very much in accord with their way of handling issues," Chien replied.

Beijing leaked word last week that it strongly opposes Li's attendance at the Bogor summit, despite Li's having said earlier this month that the meeting would provide him a chance to meet with mainland Chinese President Jiang Zemin.

Hsiao Wan-chang, chairman of the Council for Economic Planning and Development, attended the APEC summit held in Seattle last year on behalf of President Li.

Chien said his ministry has not yet decided on who will be sent to the APEC summit if Li cannot go, and has asked for an instruction from the Executive Yuan.

Chien added that [words indistinct] and Economic Affairs Minister P.K. Chiang will be present at the APEC Ministerial-level meetings, which follow the APEC summit.

APEC groups Australia, Brunei, Canada, Mainland China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand, and the United States.

Taiwan Participates in GATT Meeting

OW1810083494 Taipei CNA in English 0756 GMT
18 Oct 94

[By Maurus Young And lilian wu]

[FBIS Transcribed Text] Geneva, Oct. 18 (CNA)—A Taiwan delegation attended the General Agreement on Tariffs and Trade (GATT) Sanitation and Phyto Sanitation (SPS) meeting Monday [17 October].

The delegation was led by Chen Ruey-lung, director of the Switzerland-based representative of the separate customs territory of Taiwan, Penghu, Kinmen and Matsu in the GATT.

Ku Teh-yeh, director of Taiwan's Food and Agriculture Department under the Council of Agriculture, and Chen Shu-kung, director of the Bureau of Food Sanitation under the Department of Health, briefed more than 100 participants on Taiwan's SPS regulations on agricultural products.

After the morning meeting, the delegation held bilateral talks with Uruguay. Chen said that Uruguay wants to

export beef and citrus fruits to Taiwan. As there was an outbreak of hoof-and-mouth disease in Uruguay in 1993, Taiwan asked Uruguay to provide an international assessment of its quarantine reports. If the results are satisfactory, Taiwan will then send experts to Uruguay for on-site inspections before it makes a decision on the imports. Chen added that Taiwan would accept any citrus imports as long as the fruits undergo freezing treatment.

Chen said that the Uruguay delegates were satisfied with the talks. Taiwan will attend the second day of the three-day SPS meeting Tuesday and hold bilateral talks with Argentina, Colombia, Mexico and Chile Wednesday.

African Minister Supports UN Membership

OW1810083194 Taipei CNA in English 0733 GMT 18 Oct 94

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Oct. 18 (CNA)—Leon Odoudou Ignabode, minister of industry, commerce and handicrafts for the Central African Republic, said the Republic of China [ROC] should be allowed membership in the United Nations.

Ignabode made the remarks at the opening ceremony of the 4th Taipei International Fair (TIF) at the Taipei World Trade Center. The fair runs from Oct. 18 to Oct. 20.

Ignabode told participants from 62 countries that the ROC is the first democratic country in Asia and also boasts outstanding economic achievements.

He said his delegation came to Taipei to participate in the fair because of their belief that they could learn from Taiwan's development experience.

Ignabode praised Taiwan's economic achievements, saying that the ROC is one of the nations leading the advancement of the global economy and should be admitted to the UN, through which it could assist underdeveloped African nations.

Meanwhile, Premier Lien Chan and Economic Affairs Minister P.K. Chiang also delivered welcome messages to the 2,000 guests during the TIF opening ceremony.

Lien said in a written congratulating message that the Republic of China Government is pushing economic internationalization and trade liberalization in order to join the General Agreement on Tariffs and Trade.

Lien said he hoped that participants at the TIF can exchange development experiences to enjoy mutual benefit and boost understanding.

Chiang said the ROC's concrete steps not only will help its bid to enter the UN but also will contribute to global economic development and prosperity.

The TIF features 1,003 displays of liquor, furniture and handicrafts from the 62 participating countries, including the United States, Canada, Britain, France, Japan, South Korea and Latin American countries.

The fair, along with the 25th General Assembly of the World Trade Center Association, make up world trade week which kicked off in Taipei Monday.

Association Chairman Leads Delegation to Japan

OW1710135194 Taipei CNA in English 1324 GMT 17 Oct 94

[By Flor Wang]

[FBIS Transcribed Text] Taipei, Oct. 17 (CNA)—Association of East Asian Relations Chairman Ma Chi-chuang, leading a 50-member delegation, departed for Japan on Monday [17 October] for a nine-day visit.

During their stay, Ma and his delegation will be divided into five groups—agriculture, industry, commerce, education and administration—that will make separate visits to Tokyo, Kagoshima, Oita, Tottori and Chiba.

They will also call on former Japanese Prime Minister Takeo Fukuda, Upper House President Bunbei Hara, and other political leaders.

Ma and the delegation, composed of officials from the central government, Taiwan Province, and Taipei and Kaohsiung cities, were invited by a pro-Taiwan parliamentary committee that supports exchanges with the Republic of China [ROC] in the absence of diplomatic relations between the two countries.

(This is the third time Ma has headed such a delegation to Japan. He also made trips in October 1993 and May of this year.)

Stimulus Package Pushes Up Private Investment

OW1810081594 Taipei CNA in English 0718 GMT 18 Oct 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Oct. 18 (CNA)—The private sector has channeled NT [new Taiwan] \$383.9 billion (US\$14.64 billion) into 99 big investment projects since the economic stimulus package was unveiled in July 1993, the Ministry of Economic Affairs said Tuesday [18 October].

Officials forecast that such investment will top NT\$400 billion (US\$15.26 billion) in more than 100 projects by the end of this year. A big investment project, which refers to an investment of more than NT\$200 million (US\$7.63 million), is entitled to receive government aid in both financing and technology.

The number of big investment projects currently given government assistance totaled 250 with an aggregate investment of NT\$1.12 trillion (US\$42.74 billion), of

which 106 projects worth about NT\$158.4 billion (US\$6.04 billion) will be completed by the year's end, the officials pointed out.

The completion of big investment projects for this year is much higher than 45 projects, or NT\$53.58 billion (US\$2.04 billion), in 1992 and 97 projects, or NT\$95.39 billion (US\$3.64 billion), in 1993, indicating that the economic stimulus package has substantially paid off, they elaborated.

In terms of investment sector, they noted, the petrochemical industry topped the list, accounting for 39.4 percent of the big investment projects, followed by the metal industry's 26.1 percent and the electric and electronics sector's 15.8 percent.

Press Freedom Seen Threatened From Within

HK1810104094 Hong Kong SOUTH CHINA MORNING POST in English 18 Oct 94 p 13

[By Chan Wai-Fong]

[FBIS Transcribed Text] Press freedom in Taiwan is more likely to face threats from within media organisations instead of from outside as in the days when there was a ban on the establishment of new newspapers.

Taiwan has seen a boom in newspapers since the lifting of the ban in 1987. But the Kuomintang (KMT) Government still has a firm grip on Taiwan's electronic media.

"The Government is now interfering with [press freedom] from within (media organisations) through the bosses of television stations and newspapers," said Su Tzen-ping, editor-in-chief of Taiwan's Independence Morning Post.

He said although interference from the KMT Government still remained, less interference was originating 'from outside media organisations' compared with the situation seven years ago before the lifting of the newspaper ban.

"Before, the Government Information Office police and the KMT's department of Cultural Affairs all had a say," Mr Su said. "But now, no (government or KMT party)

official would dare to call up and tell us what to write and what not to write," he said. However, he stressed some officials still tried to exert influence through more informal and personal means.

But while the KMT Government is forced to play a more covert role and its power is limited to the three state-run television stations and a few newspapers, interference has emerged in the growing nongovernment sector of the media industry which has attracted profit-oriented businessmen who jumped on the bandwagon aiming to protect their economic and political interests.

Mr Su said conflict had developed in worker-boss relationships in these media organisations. This could best be illustrated by the recent confrontations between editorial staff and the new owner of the Independence News Group, the oldest and most outspoken newspaper group in Taiwan.

Editorial staff of the group's flagship Independence Evening News and its sister paper Independence Morning Post have demanded an "editorial covenant" to protect editorial independence and ensure autonomy from the new owner, a conglomerate led by the Hong Fu Construction Company headed by a Taipei city councillor. "There has been strong resistance (in the editorial section) to the takeover because the new boss is both a politician and a businessman. His buying the newspaper is based on his political and economic interests," said Mr Su.

On September 1, 700 Taiwan journalists took to the streets calling for independence within the newsroom, the establishment of independent journalists' organisations, and a campaign to promote editorial covenants. "Yes, we accept that media in a capitalist society can be one kind of private property in which bosses have the ultimate say. But it is different from other products," Mr Su said. "It is important in a democratic society where the free flow of correct information and pluralistic opinion is needed for people to have a genuine choice."

He noted that media monopolisation and mergers had had serious effects on the media in Taiwan. A recent survey by Taiwan's National Cheng Chi University showed that 90 percent of people were readers of the three major newspaper groups, United Daily, China Times, and Liberty Times.

Hong Kong

PRC Official Tones Down Stance on Legislature

HK1810100694 Hong Kong *SOUTH CHINA MORNING POST* in English 18 Oct 94 p 5

[By So Lai-Fun in Beijing and Connie Law]

[FBIS Transcribed Text] A senior mainland official last night toned down China's position on the setting up of a provisional legislature. Wang Fengchao said the suggestion was only a "proposal" by two PWC [Preliminary Working Committee] sub-groups. But Mr Wang, deputy director of the Hong Kong and Macao Affairs Office, insisted that a provisional legislature was important for a smooth transition.

"It is to guarantee that when the first SAR [Hong Kong Special Administrative Region] Government is set up, it is founded on the track of the rule of law. "Or, in other words, the proposal of setting up a provisional Legislative Council is hastened by Mr (Chris) Patten's... political package," he said.

In Hong Kong, Democratic Party legislator Cheung Man-kwong said he would propose to the party launching a signature campaign against the setting up of a provisional legislature. He would also suggest holding public forums to debate the various controversial proposals put forward by the PWC. He hoped PWC members would attend the forums.

Mr Cheung said comments made by PWC members had stirred up discontent among the public. They had a responsibility to explain their ideas and should not hide after saying a few words in Beijing, he said. If their proposals had not been well thought out they should not disclose them, said Mr Cheung.

Spokesman for the Joint Association of People's Organisation for the Promotion of Democracy, Chan Hung, said they would discuss on Thursday holding a demonstration against the proposal for a provisional legislature. Mr Chan said the proposal was not in the interests of Hong Kong.

Official Says No Automatic Recognition of Degrees

HK1810100594 Hong Kong *SOUTH CHINA MORNING POST* in English 18 Oct 94 p 5

[By So Lai-Fun in Beijing and Chris Yeung]

[FBIS Transcribed Text] The post-1997 government could decide whether to recognise mainland academic and professional qualifications, a mainland Preliminary Working Committee (PWC) member, Wu Jianfan, said yesterday. There would be no automatic recognition of qualifications and professional groups' right to set their own standards was guaranteed in the Basic Law, he said.

His comments followed fears expressed by some professional bodies that doctors or engineers who graduated in China could gain professional status in Hong Kong after 1997.

Mr Wu, convenor of the PWC Cultural Subgroup, said last week that the 561 mainland universities approved by the Chinese State Council should be recognised by the Hong Kong Special Administrative Region (SAR) Government. Under Article 142 of the mini-constitution, the SAR's professional groups shall continue assessing and conferring professional qualifications on their own.

Last night, deputy director of the Hong Kong and Macao Affairs Office Wang Fengchao described last week's comments as merely "a proposal." The recognition of mainland academic qualifications did not necessarily mean recognising their professional standards, he said. He said the State Council had a well-established way of assessing academic qualifications but the SAR Government could judge if the mainland's system was sound, strict, and reliable.

He said he did not rule out Hong Kong's academic bodies making reference to overseas countries when circumstances arose. But he said the State Council would not assess Hong Kong's tertiary institutions. He said there would be no question of mainland degree holders' "breaking the rice bowl" of Hong Kong people because there would be strict immigration criteria. The issue of reciprocal recognition of the mainland professional standards was originally raised by local PWC members who said the move would be beneficial to Hong Kong.

In Hong Kong, Acting Secretary for Education and Manpower Lam Woon-kwong said: "The present system is an open and flexible system that does not have a standard of recognition of degree courses. There is no need to have a standard of recognition in future," he said.

He said the government did not interfere with the setting of standards of professional bodies. Private firms could decide whether to recognise certain university degrees.

The government, as the largest employer, does not have a policy on the recognition of mainland university degrees, said Mr Lam.

Mainland Official Praises People for Flood Aid

OW1710172694 Beijing *XINHUA* in English 1710
GMT 17 Oct 94

[FBIS Transcribed Text] Hong Kong, October 17 (XINHUA)—Hong Kong people have demonstrated their strong sense of patriotism for their motherland and shown great concern for their compatriots on the mainland by extending a helping hand to the flood-stricken areas in southern China, said a senior Chinese official here today.

Fan Baojun, vice-minister of civil affairs, made the remarks at a press conference held here today while

briefing the locals on the use of the funds and materials donated by Hong Kong people following the floods reported in the southern part of China this summer.

At the briefing, Fan, who is also a deputy director of the China National Committee for International Decade of Natural Disaster Reduction, first extended heartfelt thanks of the Chinese Government and the people in the flooded areas to the Hong Kong people.

He said that the enthusiasm shown by the Hong Kong people this summer was as strong as that displayed by them in the summer of 1990 when many areas in east China were flooded, and this again demonstrated the tremendous centripetal force among people of Chinese origin the world over.

According to Fan, this summer the Chinese side received more than 400 million HK dollars (51 million U.S. dollars) donated by people in all walks of life in Hong Kong, not including the materials and cash donated directly to the people in the flooded areas.

He said that most of the money donated by the Hong Kong people have now been allocated to the flooded areas and all the money has been put to proper use.

Not a single case of embezzlement has been found so far, he stressed.

He attributed this largely to the strict management, severe punishment for possible donation-related crimes and supervision by the auditing departments at all levels, the public and the media.

This summer, serious floods occurred subsequently in Guangdong, Guangxi, Fujian and three other provinces in the southern part of China, destroying large tracts of crop fields and thousands of houses.

Fan arrived in Hong Kong late last week. He visited different departments in the territory to give his thanks for the support shown by the Hong Kong people.

Macao

Russian Suspect in Case Denies Involvement

HK1610050194 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 16 Oct 94 p 16

[By Chris Dobson]

[FBIS Transcribed Text] Detractors accuse Vladimir Ripin of being a KGB officer, nuclear weapons smuggler, pimp and all-round bad guy guilty of importing the Russian mafia to Macao. By implication he is also embroiled in the mystery surrounding the double murder of Hong Kong lawyer Gary Alderdice and his Russian girlfriend, Natalia Samofalova, who were shot in Vladivostok on June 24. The tales about Bob, as he calls himself, make better reading than many spy novels. The only problem is, he denies it all.

Sitting in a restaurant in Macao last week, Mr Ripin spoke to the Sunday Morning Post in an attempt to clear his name and sort out any "misunderstandings" with other Russians in Macao. "I tell you," he said, speaking English in a stilted, heavily accented voice, "these things are not true. I was never in the KGB. In Russia I studied Chinese in Vladivostok and I started to make business for the Friendship Society in Russia and China. I think somebody wants to make the story like a movie—to put oil on the fire. Even the police asked me to go to see them to make things clear. I hope people start to trust me."

Evidence they do not trust him is abundant. According to Mr Ripin, recently a group of people in a bar started throwing "things" at him as soon as they recognised him. "For me it is very difficult, people think I make money from prostitution," he said. "This is not true ... I already have my money from China."

He also denies he is dealing in "red mercury". Russian criminal groups say this substance can be used to detonate nuclear devices, a claim rejected by experts. "I have heard it is very expensive," he said. "But I have also heard it does not exist. But I tell you one more time, I never take a risk in this business. I prefer to deal in clean profits."

Mr Ripin said he left Vladivostok after the abortive Russian coup in August 1991 which later led to the fall from power of Mikhail Gorbachev. It was Mr Gorbachev's glasnost and perestroika which sparked the exodus of entrepreneurs from the depressed Russian Far East to Macao. He saw the Portuguese enclave, which reverts back to China in 1999, as the ideal base to set up a trading company using his language skills and contacts on the mainland and in Russia. Blond-haired Mr Ripin, who wears a diamond-studded gold ring and watch said he first went to China in 1981 and has been many times since on business.

Before Macao he made a \$500,000 profit selling Urea fertiliser to China. He used the money to start several ventures in Macao including shipping hard-to-get goods to Siberia. However, Mr Ripin does not deny that when he arrived in the enclave he worked for the China City nightclub group as an "interpreter" and that he helped hire Russian girls. He said his job was to arrange for "dancers" and "hostesses" to be sent from Vladivostok to work in the thriving nightclub near Macao's ferry terminal. However, Mr Ripin's work links with China City, which earned him up to \$30,000 a month, have been terminated following the allegations against him. His residency permit is also under review. Mr Ripin denies he worked as a pimp and said his job at the nightclub was just one of a number of ventures he was involved in.

He also denies knowing Hong Kong barrister Alderdice who was shot in what is believed to be a robbery while visiting his Russian girlfriend, Samofalova, in Vladivostok. Their bodies were discovered by the dead woman's mother and a neighbour on June 24, only two days after

the New Zealand lawyer, who moved to Hong Kong in 1973, had arrived in the Russian city. Mr Ripin said he was in Thailand at the time of the killings. The couple met at the Skylight Disco—a rival to China City in the Hotel Presidente where Samofalova worked as a hostess. "Employees" there can earn up to \$54,000 a month. However, the pimps take \$37,000 leaving the women with only \$17,000.

Mr Ripin, meanwhile, did acknowledge he knew two other men linked to him in press reports about Alderdice and the "red mercury". He said the men, Igor Deordyenko and Nicolay Arzamassov, who he claims work for a big trading company in Vladivostok, were business partners. Their ship, the Bureya, which Mr Ripin says was carrying a cargo of lemons to Vladivostok some time between 1992 and last year, was the target of a joint Hong Kong Special Branch and Criminal Investigation Bureau probe into the smuggling of red mercury. No action was taken on the Bureya but two Russians who transit the region and are believed to use Macao as a base are under investigation by the Special Branch.

"Igor and Nicolay came to Macao to see the lemons being transported," Mr Ripin said. "To check the quality." He said he made \$250,000 on the deal and had hoped to continue the trade through his firm, Valta, but that was now on hold.

As for the Guinea Bissau passport he travels on, Mr Ripin told the Sunday Morning Post it cost him \$100,000. "I was going to be making business in Guinea Bissau, I was not going to be the consul," he said referring to another rumour about his plans. "It is not my style to be consul."

In an attempt to clear his name Mr Ripin has filed a complaint to the Macao police about a Filipino, Carmen-cita de La Cruz, accusing her of rumour-mongering. Ms La Cruz, who is involved with an art gallery in the enclave, is married to a Russian, Valeriy Gorodiskiy. Mr Gorodiskiy works for the Tonnochy nightclub. Mr Ripin's lawyer, Helder Fraguas, said he filed the complaint against Ms La Cruz on September 30 alleging that "this lady was the source of the information which he (Mr Ripin) denies". Mr Fraguas said Mr Ripin was also

seeking compensation "regarding the damage he has suffered. Later, this procedure will be followed up by the prosecutor's office".

Asked why he wanted to discuss his background, Mr Ripin said: "Because I want to show the people I have good feelings for them... At the moment I am only thinking about how I can stay in Macao and keep in touch with my partners. If I get my residence (permit) I will start my activities."

Trade Policy Report Wins GATT's Approval

OW1810084594 Beijing XINHUA in English 0833
GMT 18 Oct 94

[FBIS Transcribed Text] Macao, October 18 (XINHUA)—A report on Macao's finance and foreign trade policies, drafted by the local government, has been recently approved by member states of the General Agreement on Tariffs and Trade (GATT).

And the report will soon be issued as one of the GATT's open publications, according to reliable sources.

It is learned that this is Macao's first report submitted to the GATT to introduce its policy on foreign trade, since it became a member of the GATT in January, 1991.

The sources said that GATT officials praised the high transparency of Macao's foreign trade policy report, saying it is up to the demands of the GATT.

According to related regulations of the GATT, each member state should submit a report on its own policies on finance, foreign trade and various economic sectors and renew the report in a certain period of time. It is said that renewal period for each member state's report is set according to the country's role in the world's economic development. For example, the renewal period for the U.S. is two years and that for Hong Kong is four years.

Considering that Macao is a small place, the renewal period for its report is six years.

The sources said that the approval of Macao's foreign trade policy is helpful to popularize Macao's economic policies among GATT member states and is conducive to raise Macao's international status.

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